

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

August 12, 2025
10:00 AM

Bill Mahan Conference Room
Port Administration Offices
Bremerton Nat'l Airport Terminal Bldg
8850 SW State Hwy 3, Bremerton

The Port of Bremerton Board of Commissioners regular business meetings are open to the public and are conducted using a hybrid format. The public is invited to view and/or participate in the hybrid meeting by attending in person or through one of the following options:

- To stream online only (via BKAT feed, with no interaction possible):
<https://bremerton.vod.castus.tv/vod/?live=ch1&nav=live>
- To join the online Zoom meeting: <https://us02web.zoom.us/j/3359030010>
- For audio only; dial 1.253.215.8782; Meeting ID: 335 903 0010

Call to Order

Pledge of Allegiance

Approval of Agenda

Consent Items

All matters listed under Consent Items have been distributed to each member of the Commission for reading and study, are considered to be routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Items and placed under Action Items by request.

- A. Minutes of the regular business meeting of July 8, 2025.
- B. Payment of checks #E02767 through #E02768 and #902903 through #902904 and #902905 through #902908 and #86942 through #86961 and #E02769 through #E02783 and #902909 through #902912 and #E02784 and #902913 through #902926 and #86962 through #86993 and #E02785 through #E02791 and #902927 and #902928 through #902931 and #902932 through #902935 and #902936 through #902937 and #86994 through #87014 and #E02792 through #E02803 and #902939 through #902942 and #E02804 and #87015 through #87027 and #E02805 through #E02814 from the General Fund for \$1,265,766.18. Void Ck #86870, 86917, 86904.
- C. Resolution 2025-05 declaring the 2023 Ford F250 Diesel Truck (VIN 1FT7W2BT0PEE09998) surplus to the needs of the Port.

Information Items

1. Port Orchard Marina Breakwater Replacement Project Status Update – Jon Keiser, PND Engineers
2. Marinas 10-Year Capital Facilities Update – John Piccone, Soundwest Engineering Associates
3. Kitsap Economic Development Alliance (KEDA) Briefing on Kitsap Industrial Land, Buildings, and Infrastructure Survey (KILBIS) – Joe Morrison, Executive Director

Citizen Comments: *Open to the public for comment. Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit further comments in writing to the Clerk of the Board (gingerw@portofbremerton.org).*

Action Items

1. Personal Services Agreement with Berk Consulting, Inc., for the Port of Bremerton Economic Impact Study
2. Bid Award to Insituform Technologies, LLC, for the Sewer Rehabilitation Cure in Place Pipe (CIPP) Project #04-22-40003-C
3. Grant Acceptance for Federal Aviation Administration (FAA) AIP 3-53-0007-041-2025 – Airport Layout Plan (ALP) Update and Environmental Assessment (EA) Phase 3
4. Change Order 2 for Bay Street Properties Environmental Remediation Project

Staff Reports

Commission Reports / New Business

Executive Session (if necessary)

Adjournment

Regular business and other meetings that may be attended by members of the Board

<u>Date</u>	<u>Time</u>	<u>Meeting</u>
08/12	10:00 am	*Commission Regular Business Meeting – Hybrid
08/15	10:00 am	Peninsula Regional Transportation Planning Organization (PRTPO) Board
08/20	12:00 pm	*Kitsap Industrial Readiness Summit
08/26	10:00 am	*Commission Regular Business Meeting - Hybrid

Meetings are subject to change or cancellation

**Denotes events in which two (2) or more Commissioners may attend*

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

M I N U T E S

July 8, 2025
10:00 AM

Bill Mahan Conference Room
Port Administration Offices
Bremerton Nat'l Airport Terminal Bldg
8850 SW State Hwy 3, Bremerton
Remote Option via Zoom

Commissioners and Staff Present

Commissioners
Gary Anderson
Cary Bozeman
Axel Strakeljahn

Staff Members
Jim Rothlin
Arne Bakker
Aaron Schielke
James Weaver
James Goodman
Cole Barnes
Ginger Waye
Stephanie Frame
Anne Montgomery, Atty

Call to Order

President Anderson called the meeting to order at 10:00 a.m. and led the Pledge of Allegiance.

Approval of Agenda

It was moved by BOZEMAN, seconded by STRAKELJAHN to:

Approve the Agenda as presented.

MOTION CARRIES, 3-0

Consent Items

- A. Minutes of the regular business meeting and executive session of June 24, 2025.
- B. Payment of checks #86883 through #86921 and #E02739 through #E02751 and #902887 through #902889 and #902890 through #902893 and #902894 through #902896 and #86922 through #86941 and #E02752 through #E02766 and #902897 through #902900 and #902901 through #902902 from the General Fund for \$238,486.96.

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Information Items

1. Wastewater Feasibility – Ned Lever, City of Bremerton

Mr. Lever presented the evaluation of the three alternatives to providing wastewater service to Puget Sound Industrial Center (PSIC) that were included in a Kennedy Jenks update to the City's Wastewater Comprehensive Plan.

- Alternative 1 – South PSIC initial flows directed to Mason County. Construct a new MBR facility in North PSIC. Pump future South PSIC flows that exceed Mason County's capacity, and North PSIC flow to MBR.
- Alternative 2 – A new MBR facility constructed in North PSIC and all south PSIC flows are pumped to this facility.
- Alternative 3 – South PSIC initial flows directed to Mason County. Direct excess South PSIC flows to a new pump station. North PSIC flow and excess South PSIC flow are pumped to Gorst and the existing wastewater treatment plant.

Alternative 3 was the prioritized alternative after all were evaluated and scored; however, there remain uncertainties which were discussed.

Mr. Lever stated the City needs clarity to move forward so is hoping to retain commitment from policy makers that they are willing to continue working with the partners. He responded to questions and comments from the Board throughout the presentation.

2. Airport Feasibility / Layout Plan – Kevin Nuechterlein, Mead & Hunt, Inc.

Jim Rothlin, CEO, provided an introduction of the subject matter and the Mead & Hunt team of Kevin Nuechterlein, Project Manager; Levi Anstine, Air Service Development, Managing Director, and Gemma Hooper, Air Service Development & Planning – Aviation, introduced themselves and provided their backgrounds.

Mr. Nuechterlein provided a high-level overview of the overall project that is under Phase II of the air service development feasibility study which will include an Airport Layout Plan update. An overall project schedule was discussed.

Mr. Anstine and Ms. Hooper discussed the air service component and its individual schedule detailing the initial research being done is concentrating on three studies; Destination Analysis, Second Homeowner Study; and Travel Survey. Following the culmination of the studies, the next milestone would be attending an Air Service Conference during which the Port will pitch Bremerton National Airport to the different airlines. Next steps would be generating an air service pro forma; airline headquarters meeting(s); community meeting; SCASDP grant application; and, if successful with an airline, incentives and contract negotiation.

Mead & Hunt responded to questions and comments throughout the presentation.

Citizen Comments - None

Action Items

1. Circuit of the Northwest (CNW) Lease Amendment 5 for their 232-acre land lease in Olympic View Industrial Park (OVIP)

Presented by Jim Rothlin, Chief Executive Officer

Following presentation and after Board discussion and questions were addressed:

It was moved by STRAKELJAHN, seconded by ANDERSON to:

Approve the Fifth Lease Amendment with Circuit of the Northwest, LLC, for 232 acres in Olympic View Industrial Park (OVIP)

MOTION CARRIES, 3-0

Staff Reports

Jim Rothlin, Chief Executive Officer, detailed the following:

- Employee Milestones
 - Arne Bakker, Chief Operations Officer, reaches his 8th anniversary on July 24.
 - Aaron Schielke, Chief Financial Officer, reached his 1st anniversary today, July 8.
 - Kevin Sauerland, Marina Port Attendant, started regular employment with the Port on July 1.
- Fireworks displays for the Bremerton Bridge Blast and Fathoms O' Fun events.
- Events at the Airport during June which included Experimental Aircraft Association (EAA) Young Eagles; Bonanza Formation Flying Clinic, and the Cascade Warbird Formation Clinic.
- Bremerton Airshow this weekend, July 12 & 13, at Bremerton National.

Commission Reports / New Business

Commissioner Bozeman

- Had a conversation with a friend in the music business who is familiar with scheduling events and also with friends who are investors. The conversations were positive enough that he made the decision to give CNW another year.
- His heart goes out to those affected by the floods in Texas.

Commissioner Strakeljahn

- Met a gentleman who is looking to relocate a production site for his chocolate business to this area from Seattle. Maybe there would be some potential for building space at the Port.

- Suggested the Port consider lobbying WSDOT to widen the section of Highway 3 from the new HD Fowler location to Barney White Road.
- Commended Port Orchard Marina's current landscaping.
- Commented on the City of Port Orchard's new sewer lift station generator providing suggestions for James Weaver, Director of Marine Facilities, to present to the City for minimizing the negative visual impact.
- Attended Bremerton Bridge Blast stating Sunny Saunders did an amazing job this year. Mr. Weaver commented that both marinas were full during the weekends of both Bridge Blast and Fathoms O' Fun fireworks displays.
- Commended seasonal marina customer service specialist, Dawne Keiser, for her outstanding customer service.
- Mr. Weaver addressed the following questions/comments from Commissioner Strakeljahn:
 - Why the change from Bethel Towing to Liberty Towing for Port parking near Port Orchard Marina.
 - What is being done about the vandalism of parking signs QR codes.
 - Potential for marina offices to be open until 6:00 pm during weekends and events.
 - Damage to original finger piers in Bremerton and other underwater work.

Executive Session - None

Adjournment

There being no further business before the Board, the meeting was adjourned at 12:00 p.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
July 17, 2025

Axel Strakeljahn
Commission Secretary
July 22, 2025

PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2025-05
DATED: August 12, 2025

A RESOLUTION of the Board of Commissioners, Port of Bremerton, declaring the 2023 Ford F250 Diesel Truck Vin #11FT7W2BT0PEE09998 surplus to the needs of the Port.

WHEREAS, RCW 53.08.090 provides that the Bremerton Port Commission may declare any of its real or personal property to be no longer needed for district purposes and may therefore find the property surplus to port needs; and

WHEREAS, the Bremerton Port Commission does hereby declare the following item surplus under RCW 53.08.090:

2023 Ford F250 Diesel Truck (Vin# 1FT7W2BT0PEE09998). This truck does not adequately serve the needs of the Port of Bremerton Facilities Department. The type of diesel engine included in this truck, according to the manufacturer's service technician recommendations, is designed to operate at standard to high RPMs for sustained periods (i.e., during normal and highway driving speeds and conditions). However, this vehicle is needed to support maintenance routines that consist of lower-speed driving, more starts and stops, and frequent vehicle idling. This usage has resulted in the truck incurring higher and more frequent servicing costs and continued use will result in ongoing, prolonged special servicing expenses every few months.

WHEREAS, the intent is for the 2023 Ford F250 Diesel Truck to be traded in for a vehicle that will support the maintenance routines of the Port.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton, by the Board of Commissioners, Port of Bremerton, that the above listed item is no longer needed for port district purposes and is declared surplus according to the criteria established in RCW 53.08.090, and hereby authorize Port staff to dispose of the item in the best interest of the Port.

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 12th day of August, 2025, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

Commission President

ATTEST:

Commission Vice President

Commission Secretary



ECONOMIC
DEVELOPMENT
ALLIANCE

Economic Vitality For All • In One Spectacular Place!

August 5, 2025

To: Port of Bremerton Commissioners, Executive Director and Chief Operations Officer

RE: Packet for the Kitsap Industrial Lands, Buildings and Infrastructure Briefing (KILBIS)

Partners at the Port of Bremerton:

We look forward to briefing you regarding our study on Kitsap's industrial capacity at your early August meeting. Myself and Bryan Lobel, Senior Planner with Community Attributes Inc., and the consultant who conducted this project, will be presenting. While we will cover key concepts and takeaways from the study in our briefing, two items you may find of interest are included in the packet for your consideration:

1. Our Executive Summary, which covers the core findings and recommendations from the 100-page plus KILBIS report; and
2. A few selections from the report's *Appendix D: Competitive Assessment of Peer and Aspirational Regions*. More of an FYI and interesting read, this covers what other regions in Washington—and beyond—are doing to increase industrial opportunity within their community and/or how they are positioned.

Should you wish to review the entire KILBIS report, it's available online at <https://www.kitsapeda.org/news/p/item/62524/now-is-the-time-to-build-kitsaps-industrial-future>

Thank you for your longstanding partnership, and dedication to growing jobs in our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Morrison". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Joe Morrison,
Executive Director, Kitsap Economic Development Alliance

April 2025

In 2024 as part of its five-year regional economic strategy, KEDA contracted Community Attributes Inc. to produce this Kitsap Industrial Land, Buildings and Infrastructure Survey.

The purpose: After decades of speculation and assumptions about our community's economic and industrial present and future, we wanted to go get real data that could inform our economic development strategies. It was time to identify the land and building inventory that's available in Kitsap County, carefully assess the state of infrastructure, and poke, prod, and "ground-truth" this information to better inform planning around the future of infrastructure and industry in Kitsap in order to ensure economic vitality. This work has been completed, finding:

The most pressing near-term needs for Kitsap's industrial market center on the creation of new industrial facilities and supporting infrastructure - quickly.

The number one reason for this is the once-in-a-generation opportunity for Kitsap County to leverage the SIOP-related expansion of the US Navy into off-base, private sector industrial spaces for at least a decade to come. This near-term demand from the Navy alone is almost as great as the forecast demand related to natural growth through 2035 for the whole county. In addition, a persistent, years-long dearth of available high-quality industrial space has led to pent-up demand which cannot be currently satisfied in Kitsap, leading to major missed opportunities for industrial growth.

This won't be easy. **The good news** is that Kitsap County has significant potential for industrial growth due to abundant available land, much of it within designated industrial zones and some with infrastructure already in place. The more challenging news is that obstacles exist, including a lack of high-quality existing space, challenging underlying economics to build speculative new space, and a lack of adequate infrastructure and other issues in the county's greatest industrial asset – the Puget Sound Industrial Center – Bremerton (PSIC-B).

The existing industrial context presents economic development stakeholders and local government with several opportunities and constraints on future industrial development. Nevertheless, our key finding in the Kitsap Industrial Land and Buildings Survey is **a call to action** to overcome these challenges and build industrial development capacity in the interest of the area economy.

Joe Morrison

A handwritten signature in black ink, appearing to read "Joe Morrison". The signature is fluid and stylized, with a long horizontal stroke at the end.

Executive Director, KEDA

EXECUTIVE SUMMARY

Current Conditions

Kitsap County has unique potential in the Greater Seattle industrial market—but faces significant challenges in achieving that potential.

The County’s remarkable, positive asset: Unlike other counties in the region, there is a great deal of land available for growth – nearly 2,200 acres by our count – for established and growing industries such as Kitsap’s maritime, defense, and advanced manufacturing clusters. Some commercial brokers describe this as enough industrial land to last Kitsap for “well over a century.” Even better, almost two-thirds of this available land is enshrined in Puget Sound Industrial Center – Bremerton, a designated Manufacturing Industrial Center (MIC). As one of only 11 MICs in the Puget Sound region, PSIC-B enjoys special planning, funding, and regulatory advantages that support industrial development. In addition, A Planned Action Ordinance ("PAO") established by the City of Bremerton renders industrial proposals meeting certain criteria exempt from State Environmental Policy Act ("SEPA") threshold determination. In PSIC-B alone, the Port of Bremerton identified almost 500 acres that could be developed in the near- to mid-term with modest infrastructure investment. Up to dozen sites in Olympic View Industrial Park and at Bremerton National Airport are pad-ready for development right now.

The problem: Since around 2017, there have been almost no existing buildings available for industrial use in Kitsap, and very few proposed projects. Industrial buildings that exist currently tend to be undersized, older, and, at best, in fair condition. The county’s extremely low industrial vacancy has persisted for years, even as market rents have risen. Despite resulting pent-up demand that would provide for hundreds or even thousands of more good industrial jobs in Kitsap, the private sector can’t or won’t build new speculative industrial space, in part because market rents may not be high enough for necessary

profitability¹, but also due to perceptions around demand and entitlement risk, and lending and construction costs.

By far the largest industrial opportunity in Kitsap is Bremerton's 3,200 acre **Puget Sound Industrial Center (PSIC-B)**. PSIC-B contains nearly two-thirds of all industrial land available for growth in Kitsap, and almost of the large development site opportunities. It also represents the largest concentration of industrial employment in Kitsap, with forecast 2035 industrial employment accounting for over 20% of total countywide industrial employment.

The major challenge: While significant excess capacity currently exists in PSIC-B to absorb greater employment growth, development has been constrained for three primary reasons:

- Limited infrastructure capacity to accommodate growth. While around a dozen pad-ready sites (totaling 16 ac) do exist with infrastructure, the Port estimates that over \$45 million in road, sewer, water, and power upgrades would be required to make another 230 acres developable in the near- to mid-term.
- Uncertainty in speculative development and demand. While a number of sites have been previously listed, initial interest hasn't resulted in new development, in part due to companies' aversion to the ground leasing predominantly available in PSIC-B; in addition; current lease rates may not support speculative development.
- Competing jurisdictional oversight and goals for the subarea. As an MIC, PSIC-B is subject to planning and recertification requirements from PSRC, federal (FAA) airfield requirements as an airport, lies within the dual jurisdictions of both the City of Bremerton and Kitsap County, and has significant parcel ownership by the Port of Bremerton.

¹ A development feasibility analysis conducted by Heartland Associates in the Port of Bremerton's 2017 *Competitive Analysis and Market Strategy* found that, for a build-to-suit or spec development scenario, "the rent required to cover the total development costs, and to generate a 10% return to the developer, is almost twice the average rent within the Bremerton submarket."

The Navy

The Shipyard Infrastructure Optimization Program (SIOP) program soon underway by the US Navy represents a once-in-a-generation opportunity for Kitsap County to grow its industrial base.

Bremerton's waterfront is home to **Puget Sound Naval Shipyard and Intermediate Maintenance Facility (PSNS & IMF)**, which provides a vital role in national defense: It maintains aircraft carriers, recycles submarines and conducts a range of critical maintenance for the US Navy. It is the largest single employer in the community with a steady-state headcount of approximately 14,500.

As Puget Sound Naval Shipyard is approximately 133 years old, originally designed to build sail and conventionally powered ships, the Navy has acknowledged PSNS & IMF and the nation's other public shipyards are no longer well-configured for the 21st century: Investments to sustain the operation have likely been inadequate over the decades; capital equipment is well past its useful life. The Navy recognizes it needs to optimize its shipyard facilities, utilities, dry docks, equipment and information technology infrastructure, as well as to service new platforms like the Ford-class aircraft carrier.

To address this need, the Navy established the **Shipyard Infrastructure Optimization Program (SIOP)** program office in May 2018. Originally slated as a \$21 billion total program for the nation's four shipyards that would take place over 20 years, in June 2023 the Government Accountability Office indicated that these costs had likely already risen significantly. As an example – in 2022, a cost estimate update of the first SIOP plan for Pearl Harbor Naval Shipyard rose from \$6.1 billion to \$16 billion.

SIOP is not yet officially underway at PSNS & IMF, but the Navy has already been conducting a variety of projects to update facilities there. As military construction projects on the base are planned and implemented, a **scarcity of available land on-base has begun to drive requests to lease space off-base**. Significant potential exists for far more in the coming years. When SIOP commences at PSNS & IMF, work could last five, ten, or even up to 20 years. While any new jobs and space utilization would technically be temporary, the potential for "temporary" to become long-term industrial activity (and jobs) is significant as the PSNS & IMF receives a generational upgrade. Impacts to the local industrial building market and area communities will be significant.

Ground Truthing Demand

Total demand likely exists for at least from 635,000 to 735,000 square feet of building space, and from 35 to 60 acres of land – and potentially much more due to pent-up demand resulting from years of ultra-low vacancy and sub-par industrial facilities.

As part of this project, CAI developed a custom industrial employment forecast for Kitsap County, covering both federal and private sectors throughout 2035. Unlike the Puget Sound Regional Council (PSRC) forecasts, which partly rely on countywide growth policies, CAI's approach accounted for market-specific conditions in Kitsap County.

Due to the current low industrial vacancy rates and alignment between the two forecasts at higher growth levels, CAI projects an employment **growth-related demand for nearly 395,000 square feet of new industrial space** by 2035, translating to a land requirement of approximately **34 acres** based on achieved densities from Kitsap County's latest Buildable Lands Report, to accommodate this growth.

In addition to this growth-related demand, as part of ongoing renovations at Naval Base Kitsap (NBK) Bremerton under SIOP, **the Navy is leasing off-base space within 40 miles to temporarily replace vacated facilities**. The Navy's latest 2025 Solicitation For Offers outlines needs for up to **274,000 additional square feet of industrial and warehousing facilities** (and 177,000 square feet of Class A office space). This translates to around **24 more acres of industrial land**. Key challenges include zoning, permitting, and environmental issues that could delay leases and disrupt schedules. (It's also worth noting that this figure could be low - potential may exist for much more Navy need moving forward.)

Thus, total demand for industrial land and building space in Kitsap County – including natural growth-related demand and SIOP-related demand – could approach **669,000 sf of building area** and **58 acres of land** in coming years.

Beyond forecast growth and Navy needs, there is very likely significant pent-up demand due to years of low vacancy and rising lease rates in the Kitsap County industrial market. The concept of **“induced demand”** – where the addition of new buildings to the industrial market could trigger renewed development interest and demand in the Kitsap industrial buildings market – may hold strategic promise for Kitsap County given current extremely low vacancy rates and continued strong industrial fundamentals regionally and nationally.

Land & Facilities for Growth in Kitsap

Kitsap has an extremely low vacancy rate in buildings of 1.8% that has persisted for years; its stock of 350+ buildings and 3.88 million sf of industrial + flex space is older and in fair to poor condition. There are 2,022 acres of land available for growth countywide with capacity for 28,000 new jobs; two-thirds of that land is in PSIC-B. Many sites are small.

The industrial space situation in Kitsap County presents both opportunities and challenges, as **Kitsap County has experienced an unhealthy low vacancy rate below 5% since 2015 and below 2% since the end of 2016.** (A healthy industrial vacancy rate is typically considered 5%.) On the positive side, such vacancies have driven a 65% increase in lease rates, from \$7 to over \$11 per square foot. This rent growth enhances the feasibility of new construction, encouraging speculative development and supporting economic growth. However, the scarcity of available industrial space limits opportunities for existing businesses to expand and restricts the ability to attract new firms, significantly hindering potential job growth in the area.

In terms of land available for growth, we assessed the current inventory of space and backfilled missing information regarding PSIC-B to characterize suitability including for the Navy off-base leasing needs. Per the Buildable Lands Report, approximately **2,022 acres of land are currently available for growth across Kitsap County**, net of critical areas and other constraints, with capacity for over **28,000 additional jobs**. This acreage would translate to around **10.2 million square feet of building capacity** at prevailing FARs – more than two and a half times current inventory.

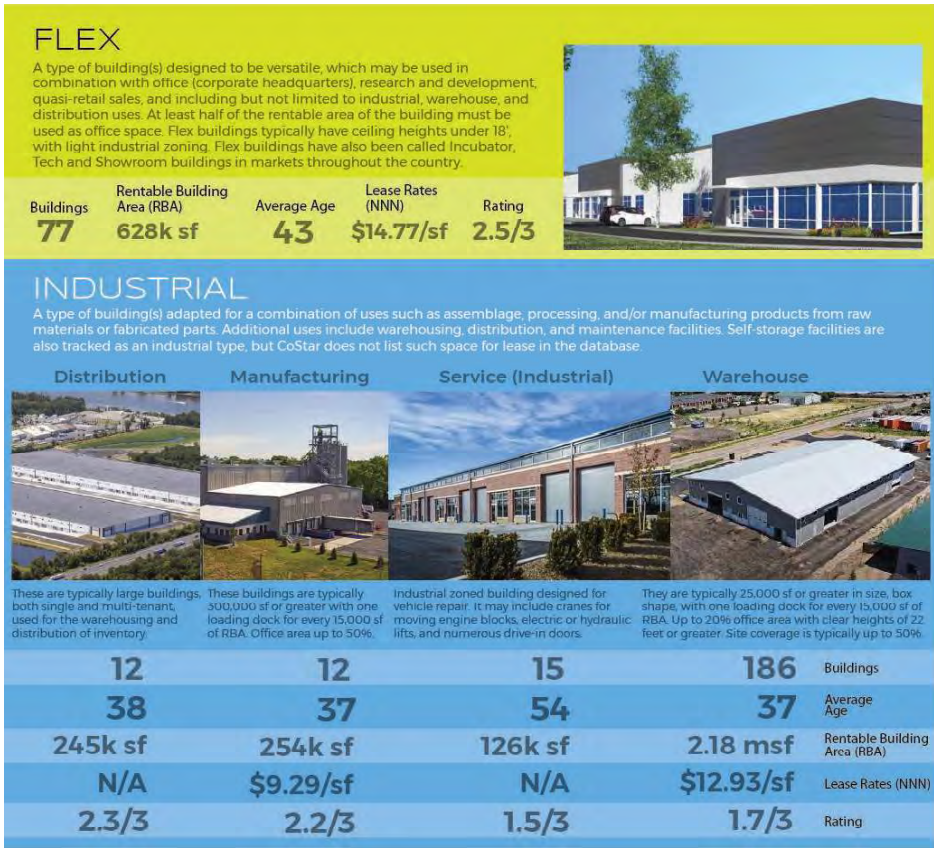
89% of this supply is located in Kitsap County's incorporated cities with more than 90% of that located in PSIC-B according to CAI estimates. In a previous report², CAI estimated around **1,350 net acres** of developable land were available for growth in **PSIC-B** that was not broken out by the BLR, including nearly **500 acres on Port of Bremerton** property. At a modest employment density of 5.5 employees per acre, this PSIC-B supply could accommodate nearly 7,500 more jobs. However, significant infrastructure investment would be required to render these sites developable. Outside of PSIC-B there were only

² *City of Bremerton Puget Sound Industrial Center Market Study*, by Community Attributes, Inc., September 2023.

three parcels 20 acres or larger (within PSIC-B, the average block size is 150 acres, and sites in the Port of Bremerton owned parcels range in size from 1 to 130 acres and average 12, 22, and 3 acres in each of three zones – Olympic View Industrial Park, Bremerton National Airport, and Sky Park, respectively).

In terms of facilities, as of Q4 2024, **Kitsap County's industrial and flex space inventory includes 352 buildings with 3.88 million square feet of rentable building area (RBA)**. Industrial-specific inventory totals 3.2 million square feet across 275 buildings, with an average NNN lease rate of \$9.29 per square foot annually for manufacturing space, and \$11.15 per square foot annually for all industrial sub-types averaged. Flex facilities comprise another 77 spaces totaling over 600,000 square feet and average \$14.77 per square NNN annually.

Industrial facility typologies (sub-types) tracked by the market include manufacturing, distribution, warehouse, and industrial service, in addition to the flex typology (see graphic summary, below). More than two-thirds of all industrial facilities in the county are warehousing sub-types, which, along with industrial services facilities, are the oldest sub-types on average.



Source: CoStar, 2024; Community Attributes, 2025.

The county's industrial facilities are generally older and of moderate quality compared to other regional markets. The average age of most industrial buildings in the county **exceeds 40 years**, and average star ratings (based on a proprietary 3-star quality assessment system by CoStar) are 2.0. Flex buildings, while older on average, are of generally higher quality, with an average 2.5 star rating.

With a low **vacancy rate of 1.8% as of Q4 2024, only eight buildings / spaces were currently available for lease or sale**, concentrated in Bainbridge Island (three buildings) and West Bremerton (two buildings).

Despite significant land capacity and interest, including from the Port in PSIC-B, substantial new construction and infrastructure investment are needed to meet industrial demand in Kitsap County. Currently only four new industrial projects are proposed.

Infrastructure Realities

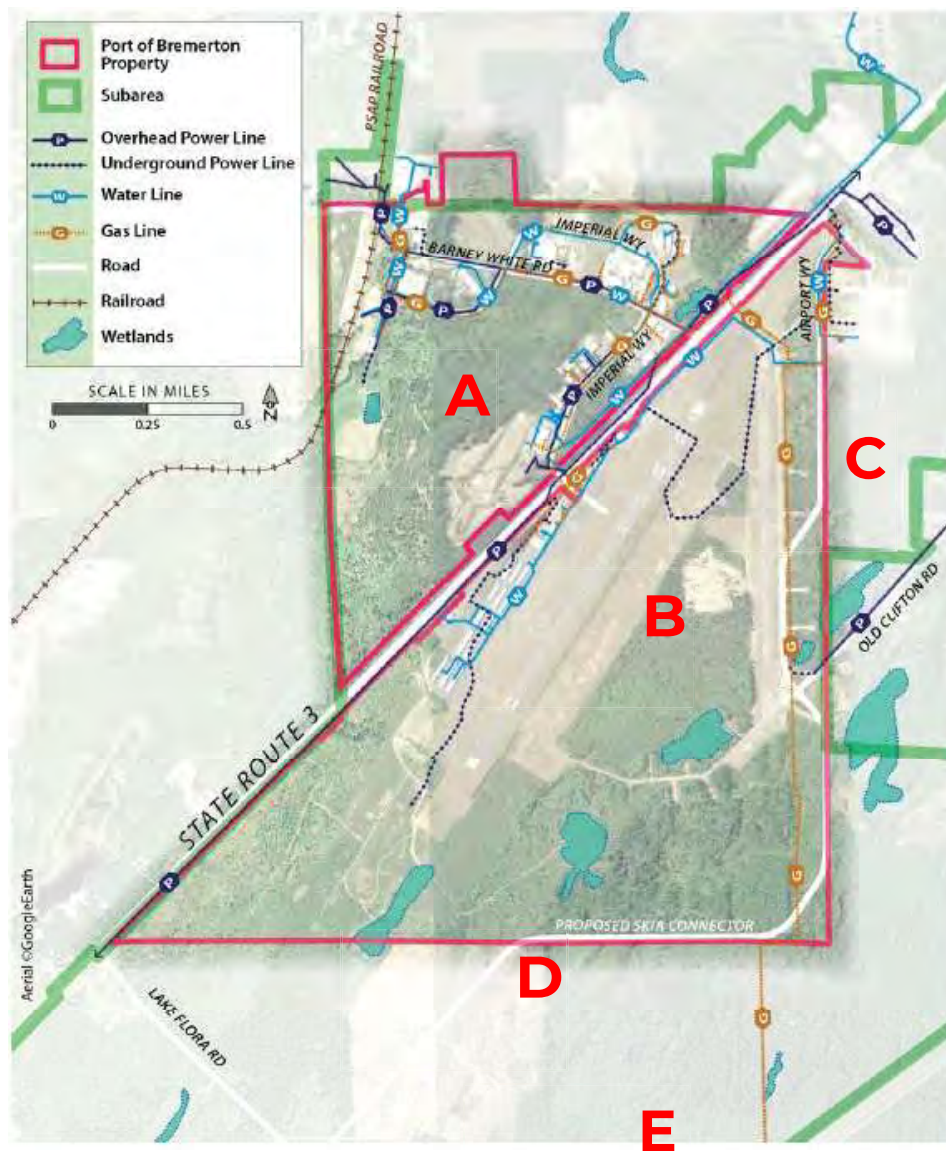
While 8-10 “pad-ready” sites with infrastructure exist in PSIC-B on Port property (totaling ~16 ac), over \$45 million in road, sewer, water, and power upgrades are required to make another ~220 acres developable in the near- to mid-term; the remaining ~230 acres of vacant Port land have almost no infrastructure currently.

Stakeholders interviewed acknowledged that Kitsap County has significant limitations in its infrastructure capacity that can impact potential future industrial growth in the region. One of the most pressing issues is the lack of adequate utilities, particularly **sewer and power capacity**, which is essential for supporting the growth of industrial zones such as PSIC-B. In addition, the county faces transportation limitations, relying heavily on trucks to move goods, with little access to efficient commercial rail, water, and air transportation across the Sound.

The **Infrastructure Gap Review** conducted with the most recent Buildable Lands Report identified three areas of industrial land supply in **unincorporated UGA areas** of Kitsap County that were subject to major infrastructure gaps. The first, in the unincorporated **northern Silverdale UGA**, is located in an area of Limited Industrial land inventory off Clear Creek Road west of Highway 3 and south of Trigger Ave. The next area is the far **southern reaches of the Port Orchard unincorporated UGA** between Bethel Road and Highway 16 and is comprised of both Limited Industrial and some Core Industrial land. The third was the **northern end of PSIC-B** along Highway 3 north and west of the new Amazon distribution center.

It should be noted, however, that while the City of Bremerton did not classify much of its incorporated portion of **PSIC-B as subject to infrastructure gaps** (due to it being instead classified as an “EIS” area subject to separate subarea planning processes), according to our 2023 analysis this was indeed the case. We found **modest infrastructure gaps** in the currently developed portions of **Olympic Industrial Park, the Bremerton National Airport, and Sky Park (A, B, and C in Exhibit 1, respectively)**, but **major gaps** in the Port of Bremerton-owned zone **south of the airport (D)**, as well as the **forested areas south of the Port parcels (E)**.

Exhibit 1. Map of PSIC-B Infrastructure Provision, Kitsap County, 2017



Excerpted from Port of Bremerton Competitive Analysis and Marketing Strategy, 2017. Source: City of Bremerton PSIC-B Subarea Plan & EIS, 2012, 2016; Utilities Information- City of Bremerton, Puget Sound Energy, Cascade Natural Gas.

According to the Port of Bremerton’s competitive analysis in 2017, three areas comprised primary development opportunity zones.

- In the **Olympic View Industrial Park** at the north end of PSIC-B, there were **145 acres** of net developable land available, with average site sizes of around 12 acres across 11 development sites. Capital facilities totaling an estimated **~\$28.3 million** (in 2017 dollars) were needed to render some sites developable in the near- and mid-term, and included **roadway improvements, a water pump station and treatment upgrades, sewer system extension, and surface water management swales and treatment plant.**
- In the **Bremerton National Airport (BNA)** zone, the Port identified another **293 net developable acres** comprised of 9 sites with an average size of 22.6 acres that could be made available for development – however, most of it only with extensive infrastructure investment (long term). A “Phase One” area just east of the airport consisting of 66 acres could be made developable in the near term in light of recent access road development at a cost of approximately **\$3.2 million** in capital facilities improvements (\$4.2 million dollars today).
- Finally, in the zone the Port terms “**Sky Park**,” located north of the BNA around the new Amazon fulfillment center and traffic circle on Highway 3, the Port identified a near-term opportunity for development of another **28 net acres** on five sites with an average size of 2.5 acres with capital facilities improvements estimated at **~\$3.1 - ~\$3.9 million.**

Priority Recommendations

The most pressing near-term needs for the industrial market in general in Kitsap County – but also to be able to leverage the tremendous opportunity presented by SIOP – center on the creation of new industrial facilities and supporting infrastructure as quickly as possible, as well as marketing and connecting end users to specific opportunities.

Strategies to catalyze industrial investment and growth will be undertaken through several pathways, including KEDA’s continued advocacy and partnership with the public and private sector, codification through the ongoing Comprehensive Plan update cycle, and other regulatory and policy efforts at the county and local levels.

The following priority recommendations outline how the Port of Bremerton, KEDA, Kitsap County, The City of Bremerton and other jurisdictions can take **specific, actionable, near-term steps** to spur

the development of new industrial space and infrastructure in Kitsap County to leverage major SIOP investment and create a healthier market environment for industrial space in the community. In the recommendations section closing the main body of the report, additional **jurisdictional** and **other recommendations** are also presented for consideration.

Catalytic Opportunities for the Port of Bremerton & KEDA

Build-to-Suit for the U.S. Navy

The Port of Bremerton usually prefers to let private companies develop facilities on land it owns. However, the Port is capable of **self-developing industrial** and commercial buildings and has done so successfully in the past. Given the magnitude of the opportunity at stake in Kitsap County and the unique position and resources available to it, the Port may be the most well positioned actor in the county to catalyze private investment in the Kitsap County industrial market – starting with land it owns in PSIC-B. In the U.S. Navy, the Port would have a **stable, long-term end-user** to create the assurance necessary to self-develop needed industrial facilities on its land in PSIC-B. As a port district in Washington state, the Port of Bremerton also has at its disposal **unique avenues for financing** site development and infrastructure, including tax levies, low-interest industrial bond issues, and service fees. The Port is less beholden to institutional lenders who view the County as a secondary or riskier market, and to the effect of very high interest rates on private development. Moreover, the persistent low vacancy in existing industrial inventory makes it likely that other end users would also absorb such space when and if the Navy vacates. The Port may also benefit from a public-private partnership developing facilities with an experienced local private entity.

Prioritize Infrastructure Extension in Gap Areas & PSIC-B

KEDA and the Port of Bremerton should leverage the analysis and findings in this study – as well as the PSIC-B Subarea Plan / EIS capital facilities chapter and the Port of Bremerton’s Competitive Analysis – to advocate strongly with local jurisdictions as they update their **Comprehensive Plans** to **prioritize infrastructure extension and funding**. Kitsap County, Bremerton, Bainbridge, Poulsbo and Port Orchard should elevate the extension of needed infrastructure for new industrial development into the county’s most competitive areas, including **PSIC-B, north County business parks, and identified gap areas in unincorporated UGAs** – as a top priority given the once-in-a-generation opportunity offered by the US Navy SIOP activities and their potential for spurring major industrial growth throughout the county. While much of the needed infrastructure in PSIC-B has already been **planned and budgeted**, funding has not yet been secured. KEDA is in a unique position to both advocate for the

industrial sector and to identify and connect jurisdictions with potential funding sources (see Infrastructure Funding Streams recommendation, below, for more information).

Leverage Existing Plans for Priorities and Funding

Kitsap County, in collaboration with KEDA, should build on existing strategies such as KEDA's five-year **OneKitsap** economic strategy and PSRC's five-year **Regional Economic Strategy (RES)**, by identifying additional policies squarely focused on industrial growth needs. As identified in this report, KEDA can support more targeted industrial planning and implementation. Kitsap County can potentially leverage its Economic Development District in PSRC for **US EDA and other funding** sources available by highlighting and advocating for priorities in the RES and elsewhere. In addition to existing plans, Kitsap cities should consider formalizing inter-jurisdictional cooperation – including possible infrastructure funding in major opportunity areas of the county like PSIC-B. Precedents exist (such as [this one](#) in Massachusetts) for formalized partnerships created to advance economic development projects too large for any one jurisdiction.

Explore a Site Readiness Initiative

KEDA, in collaboration with Kitsap County, local jurisdictions, and the Washington State Department of Commerce, should consider the design and implementation of a site readiness initiative to **accelerate the development of industrial sites** in Kitsap County potentially modeled on the [Verified Industrial Properties \(VIP\)](#) Program in Detroit. The program provides a searchable database highlighting vacant properties in the region – but with **verified data** on utilities, site conditions, and other factors that simplifies due diligence. The program also engages and **supports property owners, brokers, and local governments to assess and prepare sites for future development**. Sites may be eligible for up to \$200,000 in support to assist with planning and development, plus confidential technical assistance. A Kitsap program could connect existing resources like the CBA Choose Washington listing tool and the new Department of Commerce industrial site readiness grants. The program could conduct a region-wide search to identify properties not currently zoned for industrial use but with the potential to attract jobs and investment to the community – and work with jurisdictions interested in re-zoning them.

Catalytic Opportunities for Local and Regional Government

Reduce Permitting Timelines & Increase Predictability

One major area of development uncertainty that Kitsap County can control is entitlement risk – the **perceived and real time toward securing necessary permits** and land use / zoning **assurance from early stage planning that approval is likely** to certain if clear

procedures are followed. Senate bill SB 5290 will provide governments with a new permit processing timeframe. The default timelines for permitting include 65 days for permits that do not require notice, 100 days if public notice is required and 170 days if public notice and hearing is required. **Meeting or exceeding these new guidelines** would go a long way toward inducing new development activity across the market. In addition, the County should consider updates to existing zoning restrictions disallowing heavy manufacturing and requiring conditional use permits for light manufacturing in rural industrial zones. The City of Bremerton's zoning code for industrial zones is simpler and more permissive compared to Kitsap County as it allows nearly all industrial uses by right, making it more accommodating for industrial development than the rest of the county.

Assess Infrastructure Funding Streams

In addition to funding vehicles uniquely available to the Port of Bremerton, KEDA and its partners in county and local governments should seek to strategically evaluate, apply for, and secure other available funding streams available for economic development projects in PSIC-B and county industrial parks in need of upgrades. Well-known public finance vehicles available to jurisdictions and coalitions of landowners in Washington State include **Tax Increment Financing (TIF)** districts, the **Local Infrastructure Financing Tool (LIFT)** (not yet utilized in Kitsap County), **Transportation Benefit Districts**, **Local Improvement Districts (LIDs)**, and **Business Improvement Districts (BIDs)**. Other funding streams available for economic development that have been utilized in the region recently include:

- CERB Funds and the Committed Partner Program
- EPA Clean Ports, WA Climate Commitment Act (CCA), and WSDOT Port Electrification Grants
- Port Infrastructure Development Program– US Department of Transportation- Maritime Administration
- Community Aviation Revitalization Board (CARB) -WSDOT
- Integrated Planning Grants & Independent Remedial Action Grants - WA Dept. of Ecology
- US EDA Planning and Implementation Grants (described above, in *Leverage Existing Plans...* recommendation)

Improve Business Parks

Kitsap County is home to a number of **existing business / industrial parks** including:

- 12 Trees Business Park, Striebel's Corner, and Bond Road in northern Kitsap County LAMRIDs
- Kitsap Industrial Park north of Poulsbo;

- Day Road / Bainbridge Business Park and Coppertop Park on Bainbridge Island;
- Bruenn Ave and Auto Center Blvd. in Bremerton's West Hills;
- SBC Industrial Park on the Suquamish Reservation
- Olympic View & Sky Park in PSIC-B;
- and the Port Orchard Industrial Park

Such parks are key to the identity and perception of the industrial market in Kitsap, yet many existing facilities within them are older (averaging nearly 40 years), smaller (only ~12,000 sf on average) and outdated or in poor condition. Urban design, including planting, lighting, circulation, wayfinding, and other factors are lacking in many places. KEDA should consider coordinating and collaborating on work with the county and cities to implement **urban design improvements**, marketing and communication of spaces or building available for sale or lease, and even improvements to infrastructure or facilities themselves by connecting end users or developers to financing vehicles described. One possibility is the creation of a **commercial / industrial façade improvement program** that is focused on signage, branding, and building facades in the parks. Many successful examples of such a program providing loans and grants to awardees for such improvements exist in Washington, including in the cities of Seattle, Port Angeles, Auburn, Richland and Pasco. Another tool available involves the creation of **reimbursement districts**, like the ones implemented in the Tigard Triangle in Portland, Oregon. Reimbursement districts allow developers, municipalities, or special districts to construct public facility improvements (e.g., roads, sewer, water lines) and be compensated over time for the additional capacity that they provide to nearby properties when they subsequently connect to the new improvements.

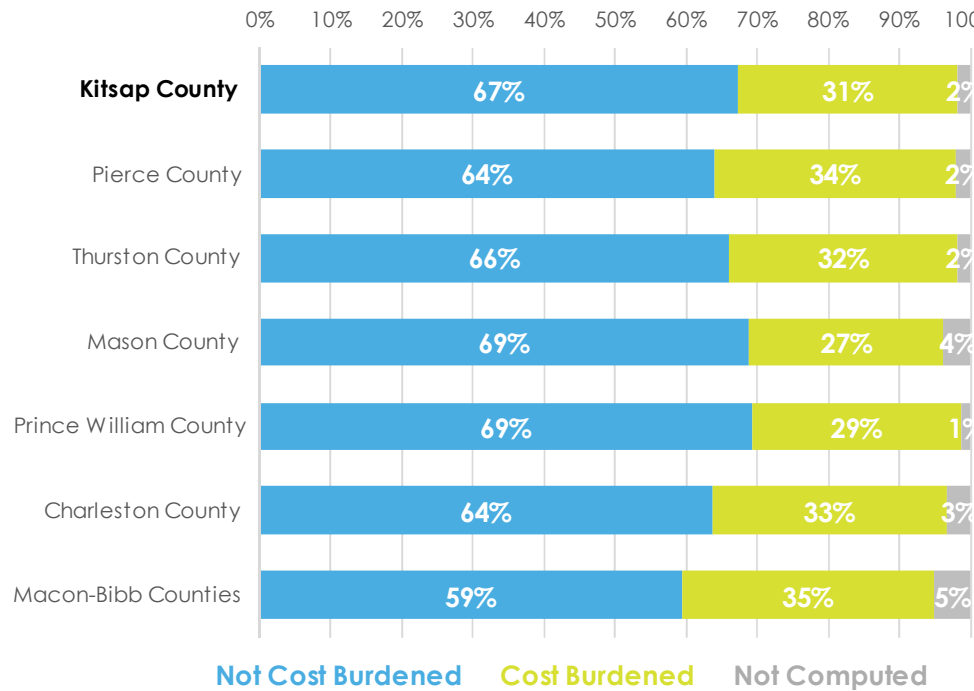
Incentivize Site Assembly of Large Industrial Parcels

Outside of PSIC-B, there are currently only three developable industrial parcels greater than 20 acres. Large sites are uniquely powerful assets for new industrial development interest. Kitsap County and local jurisdictions should consider new policy and / or regulatory approaches to enable and incentivize land assembly in competitive zones where ownership is fragmented. Tools to encourage private sector land assembly include **graduated density bonuses** and **graduated density zoning**. These allows additional development intensity – often in the form of increased FAR or building height allowances – for larger sites, increasing landowner cooperation in assembly and reducing holdouts – and can incentivize developers to pay higher premiums for adjacent land. Another way to incentivize voluntary assembly could involve **simplifying the permitting process** for larger developments to reduce administrative hurdles and encourage landowners to participate in land assembly.

Plan for Gravel Pit Sunsetting and Redevelopment

Kitsap County has several large-footprint gravel and sand mining sites – including in the Newberry / Dickey area, near 12 Trees, the West Hills area of Bremerton, and in PSIC-B – that could represent great potential for future industrial redevelopment (due, in part, to their sheer size) if their **transition from mining is strategically** managed over their useful mining lifespan. Policies that should be considered by these jurisdictions include **site aggregation, exit planning, and strategic phasing and reuse**. Through site aggregation, more viable redevelopment opportunities can be created and costs associated with reclamation are much lower on a per acre basis. With proactive exit planning, portions of mining operations can be independently zoned and entitled in anticipation of future uses after conditional use permits expire. Collaboration on a phased exit strategy can allow for continuing mine operations while phased redevelopment occurs.

Exhibit 53. Cost-Burdened Households, Kitsap and Peer Regions, 2021



Source: ACS 5-year Estimates, 2021; CAI, 2024.

Local Peers

The following section explores examples from each peer region to find best practices for supporting industrial growth. The case studies described below include examples of activities to support industrial development and diversification, including investment in infrastructure and transportation, dedication or preservation of industrial space, leveraging of an industrial asset for further industrial growth, investing in workforce development, and fostering impactful partnerships with public and private partners, including defense agencies.

Kitsap County can use information about the local peer regions to better understand its own context, position in the region, its competitive advantages and disadvantages, and to consider its own strengths and opportunities in industrial development and diversification.

Pierce County

Pierce County is a key industrial hub in Washington, driven by its strategic location between Seattle and Portland. A diverse economy with strong logistics and manufacturing sectors, Pierce County can be an example of leveraging military presence to capture and retain a defense-oriented workforce, as efforts exist between Joint Base Lewis McChord (JBLM), WorkSource Pierce and the South Sound Military

Communities Partnership. Other major industries include aerospace (with Boeing as a primary player), advanced manufacturing, and military/defense. Recently, the county has seen growth in distribution centers, leveraging its proximity to the Port of Tacoma and major rail connections. Some of the ways Pierce County is working to attract further industrial activity is through developing strong transportation and logistics infrastructure.

Case Study #1: A Workforce Development Ecosystem which Supports a Growing Industrial Sector

Pierce County's workforce development landscape offers a robust model for fostering a skilled labor force to support industrial sector growth. At the core is **WorkSource Pierce**, a collaboration of state, local, and nonprofit organizations dedicated to providing employment services to individuals at all career stages.²⁷ This program collaborates with the Port of Tacoma, integrating job training and community engagement programs which benefit both the port and the county's broader industrial base. A specialized branch, **WorkSource JBLM**, primarily serves military families, transitioning service members, and veterans, with unique support options like military-specific career retraining, apprenticeship programs, and even assistance with disability claims.²⁸ Together, these initiatives make WorkSource Pierce a cornerstone of Pierce County's workforce development ecosystem.

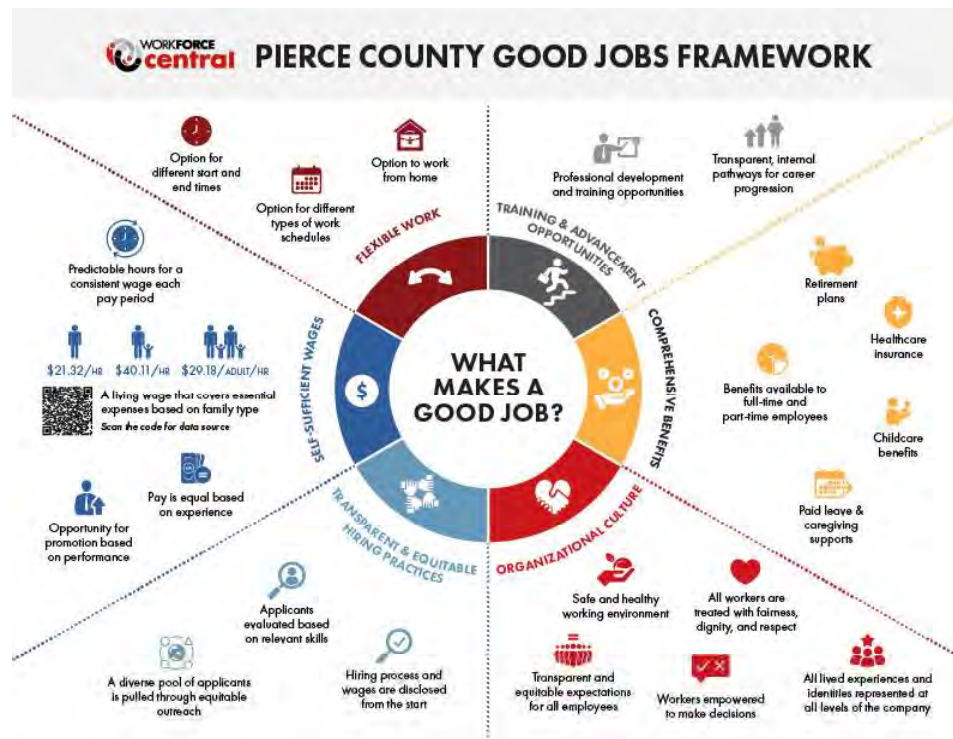
Supporting WorkSource is **WorkForce Central**, the steward of Pierce County's Workforce Development System which works to bridge the gap between job seekers, employers, and community organizations. WorkForce Central, guided by the federal Workforce Innovation and Opportunity Act (WIOA) passed in 2014, leads in tailoring workforce programs that align closely with employer needs in growing sectors such as manufacturing, healthcare, and technology. Collaborating with industry and educational institutions, WorkForce Central bolsters training programs to develop a workforce ready to step into highly specialized roles. Local colleges, like Bates Technical College, contribute by offering industry-specific training, particularly in fields like advanced manufacturing and welding. Additionally, partnerships with the Washington State Board for Community and Technical

²⁷ "What is WorkSource?", WorkSource Pierce, available online at <https://worksource-pierce.org/about/>

²⁸ "Veterans & Military Families", WorkSource JBLM, available online at <https://worksource-pierce.org/jobseekers/military/>

Colleges expand these efforts, ensuring that residents have access to targeted skills and certifications needed by local industries.

Together, these programs and institutions form a multifaceted workforce development ecosystem in Pierce County. This integrated approach provides a valuable framework for Kitsap County and other regions looking to ensure a skilled workforce that aligns with the demands of a growing industrial base.



Source: Workforce Central, accessed online October, 2024. Available online at <https://workforce-central.org/about/our-mission/>

Case Study #2: Collaboration with the Port of Tacoma

Pierce County and the **Port of Tacoma** share a long-standing, collaborative relationship centered on advancing regional infrastructure, transportation, and industrial development. By strategically leveraging maritime assets and supporting industrial growth, both entities work towards common goals in economic development, infrastructure enhancement, and sustainable planning.

The Port of Tacoma's Strategic Plan for 2021-2026 outlines a commitment to promoting economic prosperity through the advancement of maritime trade and growth in the regional economy. This plan's foundational goal for Economic Vitality reinforces the Port's role as an economic engine for the region. Related strategies, such as EV-2 ("Invest in assets that support living-wage job creation throughout

Pierce County”) and EV-3 (“Develop and support land use and infrastructure policies that protect the cargo supply chain”), shows a strategic alignment which makes the Port not only a critical component of Pierce County’s economy but also a partner in advancing shared objectives around trade and industrial sector expansion.

Five foundational goals



Source: Port of Tacoma Strategic Plan 2021-2026, Accessed Online October 2024.
Available online at: https://s3.us-west-2.amazonaws.com/portoftacoma.com.if-us-west-2-or/s3fs-public/2021-04/pot_strategicplan_2021-2026-final_1.pdf

Examples of collaboration between Pierce County and the Port include initiatives like the Tideflats Subarea Plan, which brings together local governments, the Puyallup Tribe, and community stakeholders to create cohesive policies for sustainable land use, capital investments, and infrastructure in the Tideflats industrial area. This subarea plan aligns industrial growth with environmental and community considerations, promoting a balance that supports long-term resilience in the regional economy. Another example of collaboration is the Canyon Road Regional Connection Project, which Pierce County supports to improve freight mobility between the Port and nearby industrial zones. This project, along with the SR 167 extension, is a critical link that connects freight routes, easing transportation for goods moving to and from the Port and the surrounding areas.

Through these partnerships, both the Port of Tacoma and Pierce County address shared priorities, from environmental stewardship to infrastructure that supports long-term growth in trade and industry.

Thurston County

Thurston County is the seat of Washington State’s government, which has shaped its economy and industrial development. Its location along the I-5 corridor between Seattle and Portland makes it a strategic area for growth in logistics and warehousing. Government services, logistics, clean energy, and agriculture are key features of the local economy. However, Thurston County’s economic development efforts focus on diversifying the local economy, investing in buildable lands and infrastructure to support projected job growth, and fostering an environment of innovation.

Case Study #1: Supporting Industrial Growth by Prioritizing Buildable Lands

Thurston County’s approach to supporting industrial growth hinges on prioritizing buildable lands and enhancing infrastructure to meet its “Sustainable Thurston Plan” goals.²⁹ This plan, developed in 2011, focuses on sustaining economic growth through the “Sustainable Economy” chapter, which emphasizes infrastructure investments and land prioritization for industrial uses. Key actions include preserving transportation hubs, expanding telecommunications for industrial parks, and closing infrastructure gaps through proactive public works projects. The plan also calls for regular assessments of land availability and the protection of properties critical to employment.

In alignment with its sustainable development goals, Thurston County recently conducted an Industrial Lands Survey in 2023³⁰, as part of its Comprehensive Plan update. The survey underscores the need for additional industrial land to meet employment projections and recommends forward-looking actions. For example, the survey suggests expanding Urban Growth Areas (UGAs) with careful consideration of environmental impact and community needs. Furthermore, brownfield site redevelopment emerged as a priority, enabling Thurston County to

²⁹ At the time of this assessment, Thurston County is in the midst of updating its comprehensive plan, leaving the Sustainable Thurston Plan as the next source to utilize.

³⁰ “Industrial Lands Study”, Thurston County, Washington, available online at: <https://www.thurstoncountywa.gov/departments/community-planning-and-economic-development-cped/community-planning/industrial>

“create” new industrial land through site cleanup, which also advances sustainability goals.

The survey’s recommendations also provide a modern approach to investing in supportive infrastructure. These include providing renewable fuel facilities at loading docks and reserving a percentage of parking for alternative-fuel vehicles, as well as requiring onsite renewable energy generation.

Case Study #2: Supporting Industrial Growth at varying levels, as a pathway to Economic Diversification

Thurston County’s approach to economic diversification emphasizes supporting industrial growth at all levels, from major industries linked to the Port of Olympia and Joint Base Lewis-McChord (JBLM) to small businesses, local entrepreneurs, and early-stage manufacturing. Established through the “Sustainable Thurston Plan” in 2011, the county’s “Sustainable Economy” chapter prioritizes economic diversity to strengthen the region’s resilience against economic downturns. By expanding beyond its historical reliance on a government-focused workforce, Thurston County has promoted growth in diverse clusters, including food production, wood processing, IT/telecommunications, life sciences, and chemical production.

This approach has proven successful, as recent data highlights Thurston County’s rapid growth in manufacturing jobs between 2010 and 2022, making it one of the region’s top growth areas. In its article, “Manufacturing: A Critical Building Block of Our Strong and Diverse Local Economy,” the Thurston Economic Development Council (EDC) describes manufacturing as a consistent provider of strong wages, even if lesser-known as an economic driver. “Two decades ago, the local economy was easily and rightfully defined as being characterized as a ‘government town,’” the article states. “This has shifted.”³¹ By fostering varied industrial development, Thurston has built a more recession-resistant economy, laying the groundwork for further growth across multiple sectors.

Alongside industrial growth, Thurston County has nurtured a vibrant small business and innovation ecosystem. The EDC supports local

³¹ “Manufacturing: A Critical Building Block of Our Strong and Diverse Local Economy”, Thurston EDC, available online at: <https://thurstonedc.com/thurston-countys-economic-renaissance-from-government-town-to-manufacturing-powerhouse/>

businesses from inception through growth and expansion stages, offering resources for startups, established companies, and entrepreneurs alike. The Thurston Community Economic Alliance's (TEA) 2016 Economic Development Strategic Plan and the 2023 Industrial Lands Survey further emphasize the county's commitment to small business development and equitable economic growth. Future policies include creating light industrial spaces for early-stage manufacturing, establishing a local angel investor network, and promoting Thurston as an innovation hub with higher education as its core. These initiatives ensure that Thurston County remains a welcoming environment for businesses of all scales, reinforcing economic resilience and creating opportunities for diverse community involvement in the local economy.

Mason County

Mason County, a more rural region compared to its neighbors, has traditionally relied on natural resource-based industries, particularly timber and aquaculture. Industrial development has been somewhat constrained in the county by infrastructure limitations and rural geography. Contemporary main economic drivers in Mason County are forestry, aquaculture, and small-scale manufacturing, however, the area is also developing its tourism industry, given its scenic location near the Olympic Peninsula. Mason County is working to diversify its industrial base by attracting light manufacturing and encouraging sustainable natural resource management.

Case Study #1: Focus on Infrastructure Improvements for Rural Economic Development

Mason County is committed to enhancing rural economic development through targeted infrastructure improvements, particularly in broadband and transportation. The county recognizes that robust broadband access is essential for economic growth, leading to initiatives like the Mason County Public Utility District No. 1 (PUD1) fiber-optic expansion. This project aims to provide high-speed internet access to all residents, thereby supporting remote work, business operations, and educational opportunities. The Mason County Broadband Action Plan emphasizes the importance of bridging the digital divide, highlighting efforts that align with state initiatives to improve connectivity across rural areas.

Transportation infrastructure is another critical focus area for Mason County. The Mason County Transportation Improvement Plan outlines projects aimed at enhancing connectivity to regional markets through improvements to key highways, such as State Route 3 and State Route 106. These enhancements are vital for local industries, including timber

and agriculture, as they facilitate the efficient movement of goods and services. The Economic Development Plan underscores the necessity of these infrastructure investments to attract new businesses and support existing ones, ensuring that Mason County can compete effectively in the broader economy.

By prioritizing broadband expansion and transportation improvements, Mason County sets a strong example for rural economic development. These infrastructure investments not only improve the quality of life for residents but also foster a favorable business environment. As a result, the county is positioning itself to attract investment and create sustainable economic growth, showcasing a model that other rural areas could emulate.

Case Study 2: Balancing Industrial Growth with Rural Preservation

Mason County, Washington, exemplifies a proactive approach to balancing industrial growth with environmental sustainability and rural preservation. The county's Comprehensive Plan underscores a commitment to protecting natural resources while promoting economic development. Strategies include the designation of Resource Lands to prioritize forestry, agriculture, and aquaculture while regulating industrial development to mitigate environmental impacts. By supporting sustainable practices in these sectors, Mason County seeks to facilitate economic growth without compromising its rural character and ecological health.

A notable initiative is the Mason County Sustainable Forestry Plan, which outlines best management practices aimed at enhancing timber production while safeguarding environmental resources. This plan focuses on reducing environmental footprints, enhancing biodiversity, and promoting watershed health. Furthermore, Mason County collaborates with local tribes and environmental organizations to develop comprehensive strategies that protect water quality and wildlife habitats, allowing for responsible industrial activity. The county's Economic Development Plan further emphasizes the importance of green technologies and sustainable industries, such as clean energy, to create jobs while adhering to environmental standards.

Through these efforts, Mason County is establishing itself as a model for rural areas striving to harmonize economic development with environmental stewardship. By integrating sustainability into industrial planning and prioritizing the preservation of rural landscapes, the county illustrates that it is possible to achieve economic objectives while safeguarding natural resources for future generations.

This balanced approach serves as an example for other regions facing similar challenges.

National Peers

The national peer regions outlined below showcase distinct and effective strategies for fostering and leveraging industrial growth, offering valuable insights and practices for Kitsap County to consider as it works to enhance its own industrial sector.

Prince William County

Located near Washington, D.C., Prince William County is a rapidly growing area with a strong focus on technology and data-driven industries. Government contracting, biotechnology, data centers, and life sciences are the primary industries. Prince William County strategically focuses on attracting high-tech industries and in successfully fostering partnerships with federal agencies and academic institutions to promote the development of biotechnology and life sciences industries.

Case Study #1: Employing asset-based economic development to support growth of locally strong industry.

Prince William County strategically leverages its proximity to Marine Corps Base Quantico, and other industrial assets, to drive growth in technology, advanced manufacturing, and defense-related industries. As part of its economic development strategy, a 2018 Target Industry Study identified advanced manufacturing, federal government contracting, healthcare, information communication technology (ICT), life sciences, and logistics as high-priority sectors.³² Building on this foundation, a 2022 Targeted Industry Land Need Analysis assessed the existing and projected space requirements for these industries over the next two decades.³³ According to the study, data centers and distribution centers are expected to drive the majority of new space demand, with data centers alone anticipated to make up 64% of this

³² (2018), “Target Industry Study County of Prince William, Virginia”, Prince William County, available online at: https://eservice.pwcgov.org/planning/documents/Triangle/TargetedIndustryStudy_2018.pdf

³³ (2022), “Targeted Industry Land Need Analysis”, Prince William County Department of Economic Development. Available Online at: <https://www.pwcva.gov/assets/2022-06/Targeted%20Industry%20Land%20Need%20Analysis%20-%20May%202022.pdf>

need. The report estimates that overall demand for new facilities will range from 13.6 to 75.5 million square feet, translating to approximately 1,500 to 8,700 acres of land.

In addition to zoning and targeted industry incentives, the Prince William County Industrial Development Authority (IDA) plays a central role in supporting growth by acquiring, leasing, and financing key properties.³⁴ An approach similar to Washington’s Public Development Authorities (PDAs),³⁵ this IDA supports targeted industries and funds projects that benefit both businesses and the broader community, such as the development of Innovation Park.³⁶ This 1,500-acre research hub is anchored by George Mason University’s Science and Technology Campus and includes the Prince William Science Accelerator. PDAs in Washington have been utilized to support the development of industrial parks, to support public art and cultural assets, to develop a community center, and to build a new emergency dispatch facility.

Finally, Prince William County also has policies or initiatives which support industrial growth in target industries. These include the Industrial Development Act which directly provides funding for support manufacturing, industrial, governmental, nonprofit and commercial enterprises and certain educational institutions as allowed by the Industrial Development and Revenue Bond Act. Another is the County’s Economic Development Opportunity Fund, through which Prince William County actively promotes industrial expansion and technological advancement.

Case Study #2: Partnering with the Local Defense Sector

Prince William County has a long history of ongoing cooperation and strong partnership with Marine Corps Base Quantico, leading to several key initiatives benefiting both entities and the surrounding community. One example of their collaboration is infrastructure improvement, where the county works alongside Quantico to repair

³⁴ “Home Page”, Prince William County Industrial Development Authority, available online at: <https://www.pwcida.org/>

³⁵ “Public Development Authorities (PDAs)”, MRSC, available online at: <https://mrsc.org/explore-topics/economic-development/financing/public-development-authorities#examples>

³⁶ “Select projects”, Prince William County Industrial Development Authority, available online at: <https://www.pwcida.org/projects>

critical roadways, such as the recent work on Russell Road.³⁷ Additionally, the county and Quantico have established Intergovernmental Support Agreements (IGSAs) that enable Prince William's Public Works Department to undertake various projects on the base.³⁸ Projects are selected for their public benefit, and the umbrella agreement provides flexibility, allowing Quantico to request county services when needed.³⁹

In a proactive approach to land use and environmental impact, Prince William County and Quantico conducted a Joint Land Use Study (JLUS) in 2019.⁴⁰ This study identified Quantico as a valuable community asset and outlined policies to promote compatible development near the base. Key policies focused on collaborative land use, environmental conservation, multi-modal transportation, and utility management strategies. Through these coordinated policies, the JLUS aims to minimize operational impacts on neighboring communities, while preserving Quantico's ability to fulfill its mission as a military training and education facility.

The partnership even extends to emergency preparedness exercises. In 2023, Quantico and Prince William County held a full-scale emergency exercise simulating a train derailment.⁴¹ This exercise, which involved extensive planning, tested the collaborative response capabilities of both entities and strengthened mutual understanding of emergency operations. According to officials, the exercise exemplified the value

³⁷ Boster (2022) "Quantico partners with Prince William County to repair Russell Road", Official U.S. Marine Corps Website. Available online at: <https://www.quantico.marines.mil/News/Article/2914165/quantico-partners-with-prince-william-county-to-repair-russell-road/>

³⁸ (2023), "DOD INTERGOVERNMENTAL SUPPORT AGREEMENT (IGSA)", Report Available Online at: <https://defensecommunities.org/wp-content/uploads/2023/03/2023-IGSA-Report.pdf>

³⁹ (2021), "Board Enters Services Agreement with Marine Corps Base Quantico", Office of Executive Management / Communication, Available Online at: <https://www.pwcva.gov/assets/2021-11/Board%20Enters%20Services%20Agreement%20with%20Marine%20Corps%20Base%20Quantico.pdf>

⁴⁰ (2019), "Marine Corps Base Quantico Joint Land Use Study", Available Online at: https://eservice.pwcgov.org/planning/documents/JLUS/JLUS_ApprovedText.pdf

⁴¹ (2023), "Quantico and Prince William County Conduct Full-Scale Exercise", Prince William Living, Available online at: <https://princewilliamliving.com/quantico-and-prince-william-county-conduct-full-scale-exercise/>

each party places on readiness and resilience, enhancing their capacity to respond effectively to real-world incidents.

Charleston County

Charleston County has emerged as a major industrial player in the southeastern U.S., largely due to its strategic location near the Port of Charleston, which is one of the busiest ports in the country. This has made Charleston a logistics and manufacturing hub. Key industries in Charleston County are aerospace (driven by Boeing's presence), automotive (with Volvo and Mercedes-Benz as key manufacturers), advanced manufacturing, and logistics. Growing industries include information technology, life sciences, and defense. Charleston County is actively expanding its industrial parks and improving transportation and logistics infrastructure to support its growing manufacturing base. The county has invested in workforce training programs, particularly in advanced manufacturing and aerospace, to meet the demands of local industries.

Case Study #1: Building up from a defense-based economy to a diverse ecosystem using public-private and military-civilian partnerships.

Following the closure of Charleston Naval Base in 1993, which has represented over 20% of the local economy, Charleston County embarked on a mission to diversify its economy. Charleston County Economic Development (CCED) was formed and began to take strategic actions to build upon other assets, such as the Port of Charleston, to attract new industries and broaden the region's economic base.⁴² Over three decades, these efforts transformed the local economy, positioning Charleston as a hub for industrial growth and development.

A key factor in Charleston County's economic evolution has been its focus on public-private partnerships, especially those that leverage the region's port infrastructure to stimulate industrial growth, such as the Lowcountry Defense Community Partnership Council.⁴³ Established to identify and address the needs of Joint Base Charleston and local

⁴² (2024), "Annual Report", Charleston County of Community Development (CCED), Available online at: https://www.charlestoncountydevelopment.org/clientuploads/2023_CCED_Annual_Report.pdf

⁴³ (2020), "Lowcountry leaders to recommit to civilian-military partnership", Charleston Regional Business Journal, available online at: <https://charlestonbusiness.com/lowcountry-leaders-to-recommit-to-civilian-military-partnership/>

stakeholders, the council includes representatives from the base, the Charleston Metro Chamber of Commerce, educational institutions, and municipal leaders. This council aims to sustain and increase the military value of Joint Base Charleston and to support the economy and quality of life of the Lowcountry. By capitalizing on Charleston's strategic location and existing military infrastructure, local leaders and organizations have developed a thriving logistics and manufacturing sector. Some tangible examples of this economic development include the opening of the Shipyard Creek Logistics Center in Charleston County at Leatherman Terminal,⁴⁴ employment of foreign trade zones,⁴⁵ and the development of the Coastal Crossroads Industrial Park⁴⁶ in Summerville near the Charleston Trade Center.

Case Study #2: Workforce training in high-demand industries ensuring the region's workforce is well-equipped to support emerging industrial sectors.

The Berkeley-Charleston-Dorchester Region Council of Governments (BCDCOG) has prioritized workforce development to ensure the region has the talent necessary for economic growth, as outlined in its 2023-2028 Comprehensive Economic Development Strategy (CEDS).⁴⁷ Goal 4 of this strategy emphasizes the need for diverse education, training opportunities, and recruitment and retention initiatives to create a sustainable pipeline of skilled workers. To achieve this, Charleston County Economic Development (CCED) has spearheaded several programs in partnership with state and regional organizations, providing comprehensive resources for recruitment, skills development, and job readiness that align with local industry needs.⁴⁸

⁴⁴ "Shipyard Creek Logistics Center Opens in Charleston County at Leatherman Terminal", Charleston County SC Economic Development, Available online at: <https://www.charlestoncounty.org/news/2024/4881-shipyardcreeklogisticscenter.pdf>

⁴⁵ "Foreign-Trade Zones (FTZS)", South Carolina Ports, available online at: <https://scspa.com/cargo/foreign-trade-zones-ftzs/>

⁴⁶ McDaniel, (2022) "2.5-million-square-foot industrial park planned near Summerville", Charleston Regional Business Journal, available online at: <https://charlestonbusiness.com/25-million-square-foot-industrial-park-planned-near-summerville/>

⁴⁷ (2023), "Comprehensive Economic Development Strategy Berkeley-Charleston-Dorchester Region" BCDCOG, available online at: <https://bcdcog.com/wp-content/uploads/2022/11/BCDCOG-CEDS-Plan-2023-2028-WATERMARKED.pdf>

⁴⁸ <https://www.charlestoncountydevelopment.org/clientuploads/30-Year-Economic-Impact-Study-2.pdf>

One of the primary workforce development initiatives in Charleston County is the readySC™ program, which offers customized recruitment, assessment, and training services to meet the needs of new and existing businesses. In tandem with the SC Works Trident System, employers gain access to resources that connect them with a diverse range of qualified workers and training options. Additionally, discretionary retraining funds, administered by the South Carolina Coordinating Council for Economic Development, support local companies in updating the skills of existing employees to keep pace with technological advancements. These efforts are further enhanced through partnerships with local educational institutions like Trident Technical College and the Lowcountry Graduate Center, offering apprenticeships and industry-relevant training programs that keep talent pipelines active and responsive to Charleston’s economic landscape.⁴⁹

Recognizing the potential of veterans and transitioning military personnel, Charleston County has taken targeted measures to retain this skilled demographic within the region.⁵⁰ By fostering relationships with organizations like Palmetto Warrior Connection, Vantage Point Foundation, and Joint Base Charleston, CCED provides a robust framework for connecting veterans to opportunities in top regional sectors, including life sciences, defense, and logistics. This military-specific talent initiative not only addresses workforce needs but also bolsters community ties, ensuring veterans are integrated into high-demand industries and that Charleston’s economic ecosystem benefits from their expertise and experience.

Macon-Bibb County

Macon-Bibb County, located at the crossroads of several major highways and rail lines, has long been a transportation and logistics hub in Georgia. Aerospace, defense, logistics, and manufacturing are key industries in Macon-Bibb. Proximity to Robins Air Force Base has also bolstered the local economy, particularly in the defense sector. Macon-Bibb County is focused on leveraging transportation and logistics infrastructure to attract new businesses. It is working to

⁴⁹ “Workforce Development”, Charleston County Economic Development, available online at: <https://www.charlestoncountydevelopment.org/for-existing-business/workforce-development/>

⁵⁰ DeMent (2021), “Connecting Charleston Area Businesses to Untapped Military Talent” Charleston Regional Economic Development Alliance, available online at: <https://www.crda.org/news/connecting-charleston-area-businesses-to-untapped-military-talent/>

further expand their industrial parks, enhancing connectivity between highways, rail, and air transport, and promoting public-private partnerships to drive growth in the aerospace and defense sectors in their region.

Case Study #1: Taking an Ecosystem Approach to Industrial Development

Macon-Bibb County has taken a collaborative and ecosystem-based approach to industrial development, strategically involving multiple actors and interlinked initiatives. The county itself is heavily engaged in planning for economic development, and is supported by groups such as the Middle Georgia Regional Commission, the Middle Georgia Economic Alliance, the Macon-Bibb Industrial Authority, the Greater Macon Chamber of Commerce, the Macon-Bibb Economic Opportunity Council, the Macon-Bibb County Land Bank Authority, WorkSource Middle Georgia, the Macon-Bibb Workforce Development Board, and others.

Within this ecosystem, the Macon-Bibb County Industrial Authority (MBCIA) plays a central role in attracting new business investments and supporting existing industries.⁵¹ It does so in many ways, such as hosting a bi-annual “Developers Days” to promote Macon-Bibb County’s industrial potential to economic development partners. MBCIA’s Existing Industry Program works to foster ongoing connections with local and state agencies. It includes a bi-annual Industry Partners Luncheon and Community Partner Bus Tours, which invite local leaders to tour key industrial sites such as the I-75 Business Park and Sofkee Industrial Park.⁵² MBCIA also runs a New Industry Program and its development efforts extend to direct investments in land and educational partnerships. The Georgia Ready for Accelerated Development Program (GRAD) certifies industrial sites that are ready for fast-track construction projects. To qualify for GRAD status, available sites must meet the program’s due diligence standards, be reviewed by a third party and earn the final approval of a board of advisors comprised of public and private sector economic development

⁵¹ (2023), “MBCIA 2023 Annual Report”, Macon-Bibb County Industrial Authority, available online at: <https://mbcia.com/mbcia-news/2023-annual-report/>

⁵² (2024), “Macon-Bibb County Industrial Authority Hosts Fall Community Partner Bus Tour to Showcase Macon-Bibb’s Growing Industries” Macon-Bibb County Industrial Authority, available online at: <https://mbcia.com/mbcia-news/mbcia-hosts-fall-community-partner-bus-tour/>

professionals.⁵³ The Authority holds GRAD-certified land, leasing these tracts to farmers until they are ready for industrial use. MBCIA's Payment in Lieu of Taxes (PILOT) program provides tax incentives to ease the start-up burden for incoming industries while supporting county and education budgets, making Macon-Bibb an attractive and sustainable location for industrial growth.

When it comes to the industrial sector, the MBCIA is a heavy player, and the County's plans show continued partnership with this group. However, there are many other examples of important initiatives impacting industrial growth in Macon-Bibb County. For instance, the County's extensive work in brownfield revitalization, the development and implementation of a Downtown Industrial District, and the County's land bank which works to support industrial projects. In 2024, Macon-Bibb County Schools earned the Economic Development Partnership (EDP) designation, awarded to only 10 districts in Georgia, which strengthens collaboration between local industry and Career, Technical, and Agricultural Education programs.⁵⁴ Another project the County is working on is the revitalization of the Macon Mall with new amenities to further strengthen the local industrial base. Altogether, Macon-Bibb County's ecosystem of actors, plans, and initiatives in economic development work together to support industrial growth and development.

Case Study #2: Tailored Support Across Targeted Sectors

Macon-Bibb County's approach to economic development includes targeted strategies for priority industries, with a primary focus on aerospace, defense, and logistics. The Macon-Bibb Comprehensive plan includes strategies to support the aerospace and aviation sectors through infrastructure investments, such as the extension of the Middle Georgia Regional Airport runway, intended to enhance high-tech industry presence, including maintenance and repair operations (MRO) for commercial aviation. The Macon-Bibb County Forward Together Strategic Plan aims for expanded use of airports, including the Middle Georgia Airport, saying "Macon-Bibb County believes our community can become a transportation and logistics hub for the entire state by

⁵³ (2024) "Georgia GRAD Certified Sites" Georgia Department of Economic Development, available online at: <https://georgia.org/grad-certified-sites>

⁵⁴ (2024), "Bibb County School District Receives the Economic Development Partnership (EDP) Designation", Macon-Bibb County Industrial Authority, available online at: <https://mbcia.com/community/bibb-county-school-district-receives-the-economic-development-partnership-edp-designation/>

extending the runway and attracting viable airline passenger service.”⁵⁵ The Middle Georgia Comprehensive Economic Development Strategy (CEDS) from 2021 echoes this vision, emphasizing airport upgrades, support for commercial aviation work, and the expansion of Macon-Bibb’s role as a transportation and logistics hub.⁵⁶

Strategic partnerships between Macon-Bibb, its partners, and local military and defense groups is a major component of Macon-Bibb County’s success in attracting and expanding both aerospace and defense industries, especially those anchored by Robins Air Force Base. Locally, Macon-Bibb County’s comprehensive plan includes strategies to secure joint-use designation for the base and to support STEM education programs which develop a skilled local workforce supportive of the defense industry. The Middle Georgia Innovation Project builds on these goals, focusing on workforce development in software engineering, robotics, and autonomous machines to support defense sector innovations.

When it comes to the freight and logistics sector, Macon-Bibb County has long been a supporter of growth and further connection. The Comprehensive Plan outlines targeted strategies to continue support for these industries as well, envisioning future growth and supporting innovative sustainability in these sectors. Strategies outlined include upgrades to critical infrastructure, such as improving major freight corridors, developing an intermodal facility, and ensuring rail accessibility of industrial sites.⁵⁷ The tailored support, infrastructure investments, and partnerships described for the three industry sectors above reflect Macon-Bibb County’s strategic commitment to long-term economic development across its high-potential industries. By supporting these targeted industries, Macon-Bibb County ensures continued growth and investment in the industrial sector

⁵⁵ (2014), “Forward Together Strategic Plan” Macon-Bibb County, available online at: <https://www.maconbibb.us/wp-content/uploads/2015/05/Macon-Bibb-County-Strategic-Plan.pdf>

⁵⁶ (2022), “Living + Innovating + Thriving: Middle Georgia Comprehensive Economic Development Strategy”, Middle Georgia Economic Development District, available online at: https://www.middlegeorgiarc.org/wp-content/uploads/2023/03/2022-2027-Middle-Georgia-CEDS_FINAL.pdf

⁵⁷ (2024) “2050 Macon-Bibb County Comprehensive Plan Update” Macon-Bibb County Planning and Zoning Commission, available at: https://mbpz.org/wp-content/uploads/2022/11/2050-Macon-Bibb-County-Comprehensive-Plan-FINAL_20221027.pdf

PORT OF BREMERTON

AGENDA SUMMARY

Agenda Item No: Action Item #1

Subject: Personal Services Agreement with Berk Consulting, Inc. for the
 Economic Impact Study: Port of Bremerton Facilities

Exhibits: Berk Consulting, Inc. Personal Services Agreement

Prepared By: Arne Bakker, COO

Meeting Date: August 12, 2025

Summary:

On June 30, 2025, Port staff received seven (7) proposals in response to a request for Proposal #01-25-10008 Economic Impact Study: Port of Bremerton Facilities. The purpose of this study is to better understand, in detail, how the investment of the Port impacts the economy of its surrounding community. This study will include the direct, indirect and induced impacts of sales, employment, labor income, the impact of events on our community, and selected taxes generated by the Port. The Port is composed of three major activities: Port Orchard and Bremerton Marinas, Bremerton National Airport, and the Olympic View Industrial Park. The previous study was published in October of 2019, with the tenant surveys conducted by GMA Research.

From among the responses, three (3) were selected for an interview: BERK Consulting, Inc., Community Attributes, Inc. and Martin Associates. The evaluation committee ranked the three firms interviewed and has selected BERK Consulting, Inc. GMA Research and High Peak Strategy LLC are included as sub-consultants on the project. The study will begin in August and be completed at the end of December this year.

Fiscal Impact:

The total project cost is not-to-exceed \$71,515.00.

Strategic Purpose:

This action conforms with the Port's strategic plan in Goal No. 1 Be a significant leader in promoting the local economy and job growth both on and off Port assets: 1.b. Understand and monitor the Port's impact on the local economy.

Recommendation:

Staff recommends approval of the Personal Services Agreement with Berk Consulting, Inc. for the Economic Impact Study: Port of Bremerton Facilities.

Motion for Consideration:

Move to approve the Personal Services Agreement with Berk Consulting, Inc. for the Economic Impact Study: Port of Bremerton Facilities and authorize CEO to execute the agreement.

**PORT OF BREMERTON
AGREEMENT FOR PERSONAL SERVICES
(CHAPTER 53.19 RCW)**

This **AGREEMENT FOR PERSONAL SERVICES** ("Agreement") is made and entered into as of the later of the two signature dates below, by and between:

PORT OF BREMERTON

Attn: Jim Rothlin
8850 SW State Highway 3
Bremerton, WA 98312

(the "Port")

AND

BERK Consulting, Inc.

Attn: Brian Murphy, Principal
2200 Sixth Avenue #1000
Seattle, WA 98121

("Consultant")

Term of Contract: 8/13/25-2/28/26

- **SCOPE OF WORK:** See attached Exhibit "A"
- **COMPENSATION:** The Consultant shall be compensated on the basis of hours worked and expenses incurred by its employees at the rates shown herein: See attached Exhibit "A".
- **GENERAL PROVISIONS:** Services covered by this Agreement shall be performed in accordance with the General Provisions (which are attached hereto and form a part of this Agreement) and any attachments or schedules.
- **ENTIRE AGREEMENT:** This Agreement supersedes all prior agreements and understandings and may only be changed by written amendment executed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the later of the dates indicated below. By signing below, each signatory represents that he or she has authority on behalf of his or her respective party to enter into this agreement, which shall be binding upon the parties according to its terms.

BERK Consulting, Inc.

PORT OF BREMERTON

Signature: 

Signature: _____

Name/Title: Brian Murphy, Principal _____

Name/Title: Jim Rothlin, CEO

Date: 08/05/2025

Date: _____

GENERAL PROVISIONS

In consideration of the mutual covenants and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Scope of Work. The objective of this Agreement is the timely preparation, completion and/or delivery of the scope of work and/or deliverables described in Exhibit "A" issued pursuant to and governed by the terms of this Agreement. A copy of the Exhibit "A," is attached hereto and incorporated herein by this reference. Additional tasks and/or Amendments to Exhibit "A" shall be attached hereto as Amendments and shall be made part of this Agreement upon approval as required herein. Any Amendment issued by the Port prior to the termination date of this Agreement shall be governed by the terms of this Agreement until completed even if the Amendment work extends beyond the termination date of this Agreement.

1.1 Services covered by this Agreement shall be performed in accordance with the provisions and any attachments or schedules. Except as may be otherwise provided for herein, this Agreement may only be amended by the mutual consent of both parties hereto, in writing and signed by duly authorized representatives of both parties.

2. Term of Agreement. The Consultant shall not begin work under the terms of this Agreement until the Port has specifically authorized the Consultant to do so in writing. The time required for completion of all work and, if appropriate under a schedule for completion of phases of the work, shall be specified. The completion date may be modified only upon written agreement of the parties hereto. The completion dates for Exhibit "A", may be, but are not required to be, extended in the event of a delay caused by Extra Work requested by the Port, or if the Consultant's work is delayed by unavoidable circumstances beyond the control of the Consultant and which the Consultant could not reasonably have anticipated. This Agreement may be extended for multiple terms at the sole discretion of the Port and subject to budget appropriations and Commission approval when required; if so extended, all of the terms and conditions herein shall apply to such extension.

3. Compensation and Payment. The Consultant shall be compensated on a retainer basis with the exception of travel on behalf of and approved in advance by the Port. The Consultant

shall receive no other payment for materials or disbursements unless expressly allowed by Exhibit "A".

3.1 Consultant shall supply Port with a monthly invoice and written documentation, satisfactory to Port, for all amounts due under this Agreement, including but not limited to project status and a narrative progress description of services rendered that is acceptable in form to the Port. All invoices submitted by Consultant to Port shall reference any applicable billing codes provided by Port to Consultant. Any applicable taxes shall be listed as separate line items on each Consultant invoice. All invoices and documentation may be reviewed and audited by Port and payment may be subject to review or audit. Subject to the preceding, payments shall be due net thirty (30) days of receipt of such invoice by Port. In no event shall the Port be charged interest on payments due under this Agreement. If required by Port, Consultant shall provide periodic forecasts of its total fees and costs incurred to date. With regard to time and materials, only the reimbursable expenses specifically listed in the attached Exhibit "A" will be payable expenses under this Agreement.

3.2 If Exhibit "A" specifies that the work is to be performed is on a fixed fee basis, the Consultant shall be paid the amount of the fixed fee as consideration for full and satisfactory performance of the work regardless of the Consultant's cost to perform the work. The Port shall have sole authority for determining when all work has been satisfactorily performed by the Consultant. The Consultant's payment for the work shall not exceed the specific amount unless authorized in writing by the Port, as provided herein. The fixed fee amount comprises all of the Consultant's payment for the work and includes without limitation all costs of salaries, overhead, non-salary expenses (including, but not limited to, travel, reproductions, telephone, supplies, and fees of outside consultants), as well as the Consultant's profits. The Consultant's payment for the work shall not exceed the specified amount unless first authorized by the Port.

3.3 The Consultant shall obtain the prior written approval of the Port for any charges for additional

services by the Consultant, the additional services of others retained by Consultant, or the furnishing of additional supplies, materials or equipment. The Consultant shall not be entitled to compensation for any such additional charges incurred in violation of this paragraph.

4. **Payment of Subconsultants.** At the time of project completion, the Consultant agrees to certify to the Port that all employees (including without limitation any union fees and any benefit plans), and subconsultants have been paid in full. Final payment shall be preconditioned upon receipt of such certification by the Port; the Port may, in its sole discretion, withhold final payment until receipt of such certification. The Consultant shall be solely responsible for the performance and payment of any and all subconsultants. All such subconsultants shall possess all licenses and insurance as required by the laws of the State of Washington.

5. **Termination.** This Agreement may be terminated by either party upon seven (7) days' written notice should one party fail to perform in accordance with its terms through no fault of the other. In the event the party that fails to perform is the Consultant, the determination of "fail to perform in accordance with its terms" shall be in the sole judgment of the Port. In the event of termination, the Consultant shall be compensated for satisfactory services performed to the termination date by reimbursement of the Consultant's actual costs directly related to the project plus normal overhead and reasonable profit. The Port shall have sole authority for determining when all work has been satisfactorily performed by the Consultant. In no case, however, shall such reimbursement exceed the agreed upon fee as approved and amended by the Port. Any work product generated by the Consultant prior to such termination shall be the sole property of the Port, and the Consultant agrees to provide the Port with all such materials. If the accumulated payment made to the Consultant prior to notice of intent to terminate exceeds the total amount that would be due as set forth herein above, then no final payment shall be due, and the Consultant shall promptly reimburse the Port for the excess paid.

5.1 Further, this Agreement may be terminated by the Port at any time for any reason whatsoever, at the sole discretion of the Port, with seven (7) days' written notice. If the Port terminates for convenience, the Port will pay according to the

payment terms as provided in Paragraph 5, above. If, after termination for failure of the Consultant to fulfill contractual obligations, it is determined that the Consultant has not so failed, the termination shall be deemed to have been effected for the convenience of the Port.

5.2 In addition to the above, the Port reserves the right to suspend all or any portion of the work and services for Consultant's default or Port's convenience. If the Consultant's work is delayed for more than thirty (30) calendar days due to circumstances for which the Consultant is responsible, the Port may find the Consultant in default and terminate the Task Order and/or this Agreement.

6. **Deviations from Scope of Work.** The Port may at any time issue written directions within the general scope of this Agreement. If any such direction causes an increase or decrease in the cost of this Agreement or otherwise affect any other provision of this Agreement, the Consultant shall immediately notify the Port and take no further action concerning those written directions until such time as the parties have executed a written change order. No additional work shall be performed or charges incurred unless and until the Port approves in writing the change order and the increased cost thereof. Any work done in violation of this paragraph shall be at the sole expense of the Consultant. Additionally, the Port reserves the right to modify the amount spent for identified project tasks within the scope of work, provided that the Contract Amount, as may be modified under Paragraph 3.3, is not exceeded.

6.1 The Consultant shall make all revisions and changes in the completed work under this Agreement as are necessary to correct the Consultant's, and those of its subconsultants errors or omissions, without additional compensation from Port.

7. **Insurance.** Consultant, if requested, shall provide the Port with evidence that Consultant has obtained and is maintaining the insurance listed as follows:

7.1 **Workers' Compensation Insurance** as required by law.

7.2 **Employers' Liability Insurance** (bodily injuries) with a limit of One Hundred Thousand Dollars (\$100,000) per occurrence with an insurance company authorized to write such insurance in all states where the Consultant will

have employees located in the performance of its work covering its common law liability to such employees.

7.3 Commercial General Liability Insurance with limits of One Million Dollar (\$1,000,000 per occurrence and Two Million Dollar (\$2,000,000) aggregate and Automobile Liability Insurance covering all owned and non-owned automobiles or vehicles used by or on behalf of Consultant with a One Million Dollar (\$1,000,000) combined single limit for bodily injury and/or property damage per occurrence.

7.4 Each of the policies required herein, except for Workers' Compensation Insurance, shall endorse the Port as an additional insured. Furthermore, each policy of insurance required herein shall (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended or canceled with respect to the Port except upon forty-five (45) days' prior written notice from the insurance company to the Port; (iii) contain an express waiver of any right of subrogation by the insurance company against the Port and its elected officials, employees, or agents; (iv) expressly provide that the defense and indemnification of the Port as an "additional insured" will not be effected by any act or omission by Consultant which might otherwise result in a forfeiture of said insurance; (v) contain a separation of insureds provision such that the policy applies separately to each insured that is subject of a claim or suit; (vi) not contain a cross-claim, cross-suit, or other exclusion that eliminates coverage by one insured against another; and (vii) provide for coverage for damage to the Port's property caused by the Consultant.

7.5 The Consultant shall furnish the Port with copies of Certificates of Insurance evidencing policies of insurance required herein. The Consultant shall maintain these policies as identified above for itself and its subconsultants for the term of this Agreement and for a period of one year thereafter. The Port's failure to request such certificates shall not relieve the Consultant of the obligation to provide them.

7.6 The Consultant shall maintain the insurance in effect at all times that it is performing work under this Agreement. Failure to obtain and/or maintain such insurance shall be grounds for the Port to find the Consultant in default and terminate the Agreement accordingly. Alternatively, the Port may at its option purchase

such insurance and deduct the reasonable expense therefore from payments made to or owing to the Consultant.

8. **Consultant Not an Agent or Employee of the Port.** In performing work and services hereunder, the Consultant and Consultant's employees, agents, and representatives shall be acting as independent Consultants and shall not be deemed or construed to be partners, employees or agents of the Port in any manner whatsoever. No employee of the Consultant shall be considered an employee of the Port even while performing work required under this Agreement. Furthermore, the Consultant shall not hold itself out as, nor claim to be, an officer or employee of the Port by reason hereof and will not make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the Port.

9. **Conflict of Interest.** Consultant covenants that it presently has no interest and shall not acquire an interest, directly or indirectly, which would conflict in any manner or degree with its performance under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by it or any of its subconsultants.

10. **Compliance with Applicable Law.** The Consultant shall comply with all the Port's resolutions and all federal, state, and local laws, regulations and ordinances that are applicable to the work performed pursuant to this Agreement. Both parties mutually agree to re-negotiate scope, budget, and schedule should a change in any of the applicable Port's resolutions, federal, state or local laws, regulations or ordinances during the performance of the work affect the cost of performing the work. The Consultant shall register (and shall require the same of all subconsultants), as required by RCW 23B.15.010, to do business in the State of Washington and provide proof of the same to the Port. By executing this Agreement, Consultant further certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. It further agrees by acceptance of this Agreement that it will include this clause without modification in all lower tier transactions, solicitations, proposals, agreements, contracts, and subcontracts. Where the offeror/consultant or any lower tier participant is unable to certify to this

statement it shall attach an explanation to this Agreement. The Port reserves the right to require Consultant to replace a subconsultant or lower tier participant who cannot meet the foregoing certification requirement.

11. **Indemnification.** The Consultant shall defend (with legal counsel satisfactory to the Port), indemnify and hold the Port, its elected officials, agents and employees (collectively "Port") harmless from and against all liabilities, obligations, fines, claims, damages, penalties, lawsuits, governmental proceedings, judgments, costs and expenses (including, without limitation, all attorneys' fees, costs and expenses of litigation):

- Arising out of any negligent act or omission of Consultant, its directors, officers, subconsultants, agents and/or employees (collectively "Consultant") in connection with the services provided pursuant to this Agreement; provided, however, that in the event of concurrent negligence of the Consultant and the Port, then this defense and indemnification shall apply only to the extent of the Consultant's negligence; and/or
- Arising from a breach of this Agreement by Consultant; and/or
- Arising out of or due to any failure on the part of Consultant to perform or comply with any rule, ordinance or law to be kept and performed.

The Port will inform Consultant of any such claim or demand that alleges liability based in whole or in part on any act or omission of Consultant, its directors, officers, agents, or employees. Thereafter the Consultant shall (i) reasonably cooperate in the defense of such claim and (ii) pay its defense of such claim as incurred, whether or not such claim is ultimately successful. In this regard, the Port will reasonably cooperate with Consultant in allowing Consultant to jointly select, with the Port, attorneys to defend the Port and Consultant provided that Consultant confirms its obligation to pay the Port's defense costs.

11.1 In the event of concurrent negligence by the Port and Consultant, then at the conclusion of the action (e.g., judgment, arbitration award or settlement), the attorneys' fees and costs incurred in defending the Port shall be apportioned to the parties based on their respective fault as provided by RCW 4.24.115.

11.2 The foregoing indemnification obligation

shall include, but is not limited to, all claims against the Port by an employee or former employee of the Consultant or any subconsultant or service provider. For this purpose, the Consultant expressly waives, as respects the Port only, all immunity and limitation on liability under any industrial insurance Act, including Title 51 RCW, or other workers compensation act, disability act, or other employees benefits of any act of any jurisdiction which would otherwise be applicable in the case of such a claim. **BY INITIALING BELOW THE PORT AND CONSULTANT CERTIFY THE WAIVER OF IMMUNITY SPECIFIED BY THIS PROVISION WAS MUTUALLY NEGOTIATED.**

BHM

Consultant

Port

12. **Work Product Confidentiality.** Any reports, documents, questionnaires, records, information or data given to or prepared or assembled under this Agreement which the Port requests to be kept confidential shall not be made available by the Consultant to any individual or organization without prior written approval of the Port except as may be ordered by a court of competent jurisdiction. The provisions of this section shall survive the expiration or earlier termination of this Agreement. No reports, records, questionnaires, or software programs provided by the Port or other documents produced in whole or in part by the Consultant under this Agreement shall be the subject of an application for copyright by or on behalf of the Consultant.

13. **Public Disclosure Request.**

Correspondence, reports, and other written work product will be generated during the course of the relationship created by this Agreement, and third parties may request such information pursuant to the Washington State Public Disclosure Act (RCW 42.17.250 *et. seq.*). The parties agree that in the event that such a request is filed, the party with whom the request is filed will promptly notify all other parties to this Agreement. The parties further agree that they will not disclose any such requested material until at least ten (10) business days after providing notification to all other parties to this Agreement. The intent of this clause is to provide all parties the opportunity to seek injunctive relief pursuant to RCW 42.17.330 so as

to protect the vital functions of those entities. This clause shall survive the termination or expiration of this Agreement.

14. **Plans, etc. Property of Port.** All work performed under this Agreement is work for hire. All deliverables, including but not limited to original plans, drawings and specifications, prepared by the Consultant and any and all sub-consultants for the Port and funded by the Port are and shall remain the property of the Port whether or not the Project for which they are made is executed. This shall not apply to proprietary software or documentation that may be provided to the Port and that was developed independent of funding by the Port. The Consultant assumes no liability for any use of the Drawings and Specifications other than that originally intended for this Project. Originals, including electronic forms of the data prepared by the Consultant and funded by the Port, shall become the property of the Port. No reports, records, questionnaires, software programs provided by Port or other documents produced in whole or in part by the Consultant under this Agreement shall be the subject of an application for copyright by or on behalf of the Consultant. When Consultant's work results in the preparation of plans and specifications for bidding purposes, the Port will provide the Consultant with five (5) completed sets of bid documents. Additional sets will be the responsibility of the Consultant. The Consultant's work shall not infringe on any copyright, patent, trade secret, or other proprietary rights held by any third party.

15. **Electronic File Compatibility.** All electronically transmitted output must be compatible with existing Port software, and shall be provided to the Port in a PDF or other appropriate electronic format. Consultants shall check with the Port for software application, system compatibility and preferred file type.

16. **Non-Discrimination.** In connection with the performance of this Agreement, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, marital status, or being handicapped, a disadvantaged person, or a disabled or Vietnam era veteran or a member of any other protected class. The Consultant shall take affirmative action to ensure that applicants are employed, and the employees are treated during employment without regard to their race, color, religion, sex, national origin, age, marital status, or being a handicapped or disadvantaged

person or a disabled or Vietnam-era veteran or a member of any other protected class.

17. **Federal Restrictions on Lobbying.**

Consultant certifies that under the requirements of Lobbying Disclosure Act, 2 U.S.C., Section 1601 et seq., no Federal appropriated funds have been paid or will be paid, by or on behalf of the Consultant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

18. **Federal Debarment and Suspension.** The Consultant certifies, that neither it nor its "principals" (as defined in 49 CFR.29.105 (p)) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

19. **Subletting or Assigning of Agreement.**

The Consultant shall not sublet or assign any of the work covered by this Agreement without the express written consent of the Port.

20. **Notices.** All notices and payments hereunder may be delivered or mailed to the addresses listed above. If delivered by messenger, courier (including overnight air courier) or electronic transmittal, they shall be deemed delivered when received at the street address or electronic mail listed above. All notices and payments mailed, whether sent by regular post or by certified or registered mail, shall be deemed to have been given on the second business day following the date of mailing, if properly mailed to the mailing addresses provided above, and shall be conclusive evidence of the date of mailing. The parties may designate new or additional addresses for mail or delivery by providing notice to the other party as provided in this section. The address for delivery of notices and payments are as set forth in the introductory paragraph of this Agreement.

21. **Review of Title Documents.** Prior to the execution or recordation of any documents effecting title to any property, said document shall be reviewed by the Port. Consultant shall not

execute or record (or make to be executed or recorded) any such document prior to the Port's review and approval.

22. **Jurisdiction.** This Agreement is made and delivered in the State of Washington and shall be construed and enforced in accordance with the laws thereof. Jurisdiction and venue of any dispute hereunder shall be solely in the Superior Court of the State of Washington in and for Kitsap County. In the event of a dispute arising out of or under this Agreement, the substantially prevailing party shall be entitled to its reasonable attorneys' fees and costs.

23. **Pollution.** Port acknowledges that the Consultant is not responsible for the creation or presence of contamination or pollution, if any, at the property except to the extent that such a discharge, release or escape is caused by the negligent act or failure to act of the Consultant. For the purpose of this clause, contamination conditions shall mean the actual or alleged existence, discharge, release or escape of any irritant, pollutant, contaminant, or hazardous

substance into or upon the atmosphere, land, groundwater, or surface water of or near the property. The Consultant will promptly notify the Port of contamination conditions, if identified. Notwithstanding the foregoing, the Port does not herein waive any cause of action for damages resulting from the Port's reliance on any misrepresentation (made either knowingly or negligently) by the Contractor with regard to the presence of any contamination or pollution.

24. **Entire Agreement.** This is the entire agreement between the parties. There is no other oral or written understanding between the parties concerning this matter. The Consultant specifically understands that no Port employees other than the Project Manager or his/her supervisors are authorized to direct the work of the Consultant.

25. **Signing Authority.** Anyone signing this Agreement by said signature certifies that he/she has the authority to execute said document on behalf of the Consultant and that his/her signature is binding upon the firm or corporation.



RFP #01-25-10008

ECONOMIC IMPACT STUDY: PORT OF BREMERTON FACILITIES

SUBMITTAL: JUNE 30, 2025



HIGH PEAK STRATEGY



June 30, 2025

Attn: Arne Bakker, Chief Operating Officer

Port of Bremerton

SENT VIA EMAIL

RE: RFP #01-25-10008 Economic Impact Study: Port of Bremerton Facilities | PROPOSAL

Dear Arne and the Consultant Selection Panel,

BERK Consulting, Inc. (BERK), partnered with **High Peak Strategy** (HPS) and **GMA Research** (GMA), is pleased to provide our proposal and qualifications for the Port of Bremerton Economic Impact Study. We feel our combined expertise in economic impact analysis, understanding of the broader impacts of port activities on the region, and past experience working for the Port make us ideally suited to work with you on this project.

Company Information

As required in the RFP, we have included the following information about BERK, which will serve as the Primary Consultant on this project:

- **Name:** BERK Consulting, Inc.
- **UBI:** 601-219-609
- **Address:** 2200 Sixth Avenue #1000 Seattle, WA 98121
- **Phone:** 206-324-8760
- **Email:** madalina@berkconsulting.com or brian@berkconsulting.com

Key Personnel: The BERK team will be led by **Madalina Calen**, a Senior Economist, as Project Manager. She will serve as the day-to-day point of contact with the Port and manage our partner firms to ensure completion of the project on time and on budget. BERK Principal **Brian Murphy** has signing authority and can bind the firm to a contract resulting from this procurement effort. He will also provide strategic advice as necessary. **Dr. Spencer Cohen** from High Peak Strategy will support the maritime economic impacts analysis and **Don Morgan** from GMA Research will lead survey design and implementation. Don was GMA's lead for the 2019 study and is uniquely positioned to efficiently repurpose and update engagement materials from the prior work. Additional analytic support will be provided from BERK.

We look forward to discussing this project with you in detail. In the interim, more information about our firm, approach, team, and client satisfaction can be found on our website: www.berkconsulting.com.

Sincerely,



Brian Murphy, Principal
BERK Consulting, Inc.



Madalina Calen, Project Manager
BERK Consulting, Inc.

Project Understanding

Public ports in Washington are often referred to as “public enterprise systems” and exist to support economic development and the creation of family wage jobs.

The Port of Bremerton has a long tradition of serving its community through industrial development and airfield and marina operations. The Port has 1,700 acres of developable land and owns and operates one of the largest industrial parks in Kitsap County – Olympic View Industrial Park. The industrial park is part of the Puget Sound Industrial Center – Bremerton, a designated Manufacturing Industrial Center (MIC), and the South Puget Sound Foreign Trade Zone #216. While Kitsap County has a strong economic base in defense (Naval Base Kitsap, Puget Sound Naval Shipyard), the Port helps foster a more robust and diversified local economy by attracting businesses across many sectors. Port tenants employ over 2,500 people across different industries, including advanced manufacturing, logistics, and other industrial activities.

Beyond its significant economic impacts, the Port has made and continues to make investments in infrastructure, including upgrading runway lighting at Bremerton National Airport to increase safety and capacity, working with Puget Sound Energy on a 34-acre solar farm at the airport to support reduced emissions, and installing electric vessel charging ports at the Port Orchard Marina to keep up with changing industry technology and reduce emissions.

The Port also actively works to improve quality of life for its residents. Most recently the Port has been involved in a housing project at the Bremerton Marina which will provide much needed housing and parking for marina customers. Recognizing the Port’s significant role in creating jobs, developing infrastructure, and improving local quality of life, the Washington Public Ports Association named the Port of Bremerton the state’s port of the year in 2023.

The Port demonstrated its economic and fiscal contributions to Kitsap County and Washington state through a comprehensive impact assessment in 2019. The Port is seeking consultant support to update its prior study. This is an important opportunity not only to update the Port’s communication materials, but also to evaluate potential shifts in its impact and to consider how the Port may best serve tenants and the region.

This process will involve gathering input from the Port’s tenants and analyzing the indirect and induced economic and fiscal impacts of direct spending using the State’s Input/Output model. Questions about the anticipated value of potential Port investments or enhancements can be integrated into these survey instruments. Throughout this process, it will be important to maintain consistency with the prior methodology, leverage previous work for efficiency, and consider how changes in the

Port's offerings or operating environment may require modifications of prior survey instruments and analytic methods.

The results will include:

- An update of the Port's economic and fiscal contributions to Kitsap County and Washington State.
- Careful analysis to determine the underlying reasons behind any shifts in value discovered through this process. Insights into the social and community benefits of the Port and tenant interest in potential Port investments or enhancements (Optional).

Project Approach

Our approach includes using research, surveys, and interviews to gather direct spending figures for the Port of Bremerton airport, marina, and industrial park. The indirect and induced economic and fiscal impacts of this direct investment will be estimated using the State Input-Output Model.



Key Elements of our Approach

- BERK will ensure consistency in methodology with the prior study as much as possible (e.g., utilizing the Washington State Input- Output Model). We will provide a comparison to 2019 study results and an explanation of any distinctions in the approach or findings.
- Economic Impacts will be estimated for Kitsap County and Washington state and broken down by industry.
- Our partnership with GMA will ensure we can hit the ground running on engagement and data collection.
- BERK proposes going beyond the economic and fiscal impact numbers to tell the full story of the Port's impact by highlighting social and community benefits of the Port of Bremerton.

Task 0: Project Kick-off and Management

Throughout the project, we will coordinate with Port of Bremerton staff to ensure that we meet expectations for the project and adhere to the budget and schedule as planned.

Our team will work with Port of Bremerton staff to organize and facilitate a virtual **project kick-off meeting**. At this meeting, we will review and discuss project goals and expectations, project management protocols, data and engagement needs, and project timelines and deliverables. We will also set up a **regular meeting schedule** for coordination with the Port of Bremerton project manager and other designated staff to communicate progress, review interim analysis, and address any project challenges as they arise.

Task 1: Economic Impact of Marina Use

The Bremerton and Port Orchard marinas generate revenue through moorage fees, fuel sales, boat maintenance, and other boating related services. Furthermore, the marinas host several businesses such as fishing charters, sightseeing, and private rentals businesses that generate revenues and support local employment. Lastly, the Port of Bremerton marinas boost the local economy by attracting visitors who spend money at nearby restaurants, lodgings, shops, and entertainment.

BERK will estimate the economic impact of four different categories of marina users: monthly mooring customers, liveaboard tenants, short-term (overnight and day-use) visitors, and marina based businesses (recreational charters and any other businesses).

1.1 Moorage customers, liveaboard tenants, and short-term visitors survey

BERK and GMA will design and conduct an online survey of monthly moorage customers, liveaboard tenants, and short-term visitors at the marinas to gather data on the length of visit, party size, and spending per visit by expense category (e.g. dining, local lodging, retail etc.) which will be used in the economic impact analysis. If needed, BERK will also conduct additional research to supplement the survey data (for example, if the response rate turns out to be suboptimal for short-term visitors) and can draw from existing studies on the economic impact of recreational boaters to Washington state ports.

1.2 Marina based businesses interviews

BERK will conduct up to eight one-on-one interviews with businesses based at the two marinas to gather information on:

- The number of jobs and revenue streams (from charter fees, tips, etc.) supported by these businesses,
- How many clients they serve in a year on average,
- Where clients come from, and
- Information on their spending patterns, if available.

1.3 Analysis of economic and fiscal impact of marina use

Using the information gathered through the survey, interviews, and any additional research, BERK will estimate the direct, indirect, and induced economic impact of marina use in terms of number of jobs, business revenue, labor income, and local and state tax revenues.

Deliverables

- Draft and final moorage customers and liveaboard tenants survey and raw survey data
- Marina based businesses interview questions
- Economic and fiscal impact of marina uses analysis findings

Task 2: Economic Impact of General Aviation Tenants and Other Airport-Related Activities

Bremerton National Airport acts as an economic engine by directly supporting aviation-related businesses and services, facilitating business and recreational travel, drawing visitor spending, and serving as a key piece of infrastructure for the Olympic View Industrial and Business Park, which is part of the Port of Bremerton's facilities. BERK will estimate the economic impact generated by the Port's general aviation tenants, the Airport diner (Amelia's Hangar), Airport freight activity, and any Port of Bremerton operations related to the Airport.

2.1 General aviation tenants and airport diner survey

BERK and GMA will design and conduct an online survey of general aviation tenants and the Airport diner at the Bremerton National Airport to gather information on the

number of jobs and revenue streams supported by these businesses. The survey will be distributed using the Port's existing contact database.

2.2 Airport stakeholder interviews

BERK will conduct up to eight interviews with:

- Air freight carriers to collect data on the type, volume, and value of freight handled and employment involved
- Medical airlift operators to gather information on the economic and community benefits

2.3 Analysis of economic and fiscal impact of airport

Using the information gathered through the survey, interviews, and the Port of Bremerton, BERK will estimate the direct, indirect, and induced economic impact of general aviation tenants and other airport-related activities in terms of number of jobs, business revenue, labor income, and local and state tax revenues.

Deliverables

- Draft and final general aviation tenants survey and raw survey data
- Airport stakeholder interview questions
- Economic and fiscal impact of airport analysis findings

Task 3: Economic Impact of Industrial Park

The Port of Bremerton has over 540 acres that are zoned for industrial and light manufacturing use. At the Olympic View Industrial Park, the Port offers long-term land leases for raw land, pad ready sites, and existing buildings. The industrial park has approximately 60 businesses providing jobs to more than 1,150 people¹. BERK will analyze the economic and fiscal impact of industrial park tenants in terms of jobs, labor income, and business and tax revenue supported. We will work with Port of Bremerton staff to understand what data the Port has available on its tenants.

We propose using an alternative method to a survey which would ensure more complete coverage of the impact estimates. BERK will develop an inventory of industrial tenants and associated unified business identifier codes using data from the Port and submit the list of companies and organizations to the Washington State Employment Security Department (ESD) for employment and wage aggregations by industry. This method will also allow us to identify sole proprietors; in these cases wages will be estimated using countywide average wages by industry. Total income, including the monetary value

of healthcare and other supplemental benefits, will be estimated through use of total income-to-worker ratios computed through the Washington State Input-Output Model, U.S. Bureau of Economic Analysis income data by industry, and other sources. We will then compute average gross business income per worker by industry using gross receipts data published by the Washington State Department of Revenue (DOR) to estimate business revenue supported by industrial park tenants. Lastly, the estimated direct impacts will be entered into the input-output model to generate indirect and induced impacts.

Fiscal impacts will include direct taxes paid by industrial tenants, as well as additional estimated state taxes paid through upstream business-to-business transactions (indirect) and household spending among industrial tenant workers and suppliers (induced). For direct taxes, we will consult with the port and DOR, including a custom data request to the DOR based on company records. Indirect and induced-supported taxes will be estimated through computed ratios of effective tax rates per industry.

Task 4: Draft and Final Report and Presentations

Upon the completion of the preceding tasks, we will compile the results from this work into a full report as a final deliverable. This report will be designed and laid out to ensure that it can be used for different applications and is digestible for all audiences. Key data will be summarized through informative, well-designed graphs, charts, and other infographics. The report will also include a technical appendix detailing the methodology and all data sources used. A draft of the report will be provided to the client team, with up to two weeks provided for internal review in the final schedule. After this feedback is reviewed and the report is updated accordingly, a final draft will be submitted to the Port.

BERK will also produce a one-page summary to illustrate the economic and fiscal impacts and distill the findings of the study into something easily digestible for all audiences.

Our team will develop presentation materials and provide one virtual interim briefing and one in-person final presentation of findings to Port Commissioners.

Deliverables

- Draft and final report (including technical appendix)
- One-page summary of economic and fiscal impacts
- Two presentations to Port Commissioners

Optional Tasks

Task 5: Social and Community Impacts

The Port of Bremerton has impacts extending beyond its traditional port functions. The Port works to improve the quality of life for residents by sponsoring community events, contributing to local scholarship funds, and volunteering time. The Port's facilities, including its marinas and the Bremerton National Airport, serve as important venues for community gatherings and events, attracting tourism and supporting local businesses. The Port also makes strategic investments in infrastructure and public amenities, such as the marina and surrounding waterfront and is currently studying the feasibility of introducing limited passenger service at the Bremerton National Airport.

BERK can include a qualitative assessment of the social and community impacts of the Port of Bremerton to round out the story and understand the impact beyond the economic impact numbers.

Task 6: Storytelling Vignettes

BERK can include storytelling vignettes throughout the report that go beyond the numbers to animate and personalize the Port's story. For example, these might feature particularly dynamic or growing businesses on Port property, recent Port investments or improvements and their benefits to the community and local economy or highlighting the role of the port in supporting economic development and growth in Kitsap County. The topics of these vignettes would be determined in collaboration with Port staff.

Task 7: Potential Future Investments

The engagement conducted for this study is a potential opportunity for the Port of Bremerton to gather input from its tenants and users of its facilities on desired investments. BERK can integrate questions into the proposed surveys about the desired community enhancements to port facilities and infrastructure.

	BERK Consulting			HPS	GMA	
	Brian Murphy Project Director	Madalina Calen Project Manager and Lead Analyst	Oliver Hirn Analyst	Spencer Cohen Strategic Advisor and Econ Impact Analysis Support	Donald Morgan Survey Lead	Total Hours and Estimated Cost by Task
2025 Hourly Rate	\$260	\$195	\$150	\$300	See total below	
Task 0: Project Kick-off and Management						
Project kick-off meeting (virtual)	2	2	2	2	Included below	
Ongoing project management (~6 months)		12				
Subtotal	2	14	2	2		20 \$4,150
Task 1: Economic Impact of Marina Use						
Moorage customers, liveaboard tenants, and short-term visitors survey		6	8		Included below	
Marina-based businesses interviews		6	10			
Analysis of economic and fiscal impact of marina use	2	12	22	10		
Subtotal	2	24	40	10		76 \$14,200
Task 2: Economic Impact of General Aviation and Other Airport-Related Activities						
General aviation tenants and Airport diner survey		2	4		Included below	
Airport stakeholder interviews		6	10			
Analysis of economic and fiscal impact of airport	2	12	22	7		
Subtotal	2	20	36	7		65 \$11,920
Task 3: Economic Impact of Industrial Park						
Inventory of tenants and employment estimates		2	10			
Analysis of economic and fiscal impacts of industrial park activities	2	10	20	4		
Subtotal	2	12	30	4		48 \$8,560
Task 4: Draft and Final Report and Presentations						
Draft and final report (including technical appendix)	4	12	20	8		
Draft and final presentations	2	6	8	2		
Briefing update with Port Commissioners (virtual)		2	2			
Presentation to Port Commissioners (in-person)		5	5			
Subtotal	6	25	35	10		76 \$14,685
Total Estimated Hours	14	95	143	33		285
Cost (Hours*Rate)	\$3,640	\$18,525	\$21,450	\$9,900	\$7,500	\$61,015
Subtotal Consultant Cost						
	\$61,015					
Report Layout and One-page Summary						
	\$3,500					
Social and community impacts						
	\$3,500					
Storytelling vignettes						
	\$3,500					
Estimated Project Total						
	\$71,515					

Team Qualifications

The BERK team will be led by **Madalina Calen**, a Senior Economist with over a decade of experience leading economic impact studies throughout the region. BERK Principal **Brian Murphy** will serve as Project Director and have final authority for the project deliverables.

Dr. Spencer Cohen from **High Peak Strategy** will provide strategic advice and analysis support to the project team related to economic impacts of port activities. **Don Morgan** from **GMA Research** will lead design and implementation of the surveys, leaning on the experience gained in the 2019 project.

More about each firm is below.

BERK is an interdisciplinary consultancy integrating strategy, planning, and policy development; financial and economic analysis; and facilitation, design, and communications. Founded in 1988, our passion is working in the public interest, helping public and nonprofit agencies address complex challenges and position themselves for success. Our Mission is: **Helping Communities and Organizations Create Their Best Futures**. Our website is www.berkconsulting.com.

High Peak Strategy LLC was founded in 2020. Our mission is to provide analysis and insights that drive executive and policy decision-making. Analytic rigor, transparency, and client accessibility are the pillars of our approach. We specialize in international trade, ports, regional economic development, and labor force economics. Our services include economic impact analysis, industry research, trade analysis, labor force analysis, and economic development strategy. Our website is www.highpeakstrategy.com.

High Peak Strategy LLC works with a diverse range of clients, including ports, corporations, economic development organizations, engineering firms, industry and trade associations, and local governments. We have worked with clients across the U.S. and abroad, including in Washington, California, Texas, Louisiana, Arizona, Nevada, Colorado, Georgia, North Carolina, Florida, and the Asian Development Bank.

GMA Research is a full-service research firm based in Bellevue, conducting studies for a wide range of clients in a number of sectors including tourism, agriculture, manufacturing, recreation, transportation, entertainment, business services, government and non-profit organizations. Established in 1984, GMA Research Corporation has conducted thousands of research studies over a multitude of sectors. GMA are members of the American Marketing Association, Insights/Market Research Association, Puget Sound Research Forum, and Marketing Communication Executives International. More information can be found at: www.gmaresearch.com.

Key Staff Experience



Madalina Calen (Project Manager and Lead Analyst, BERK) is a Senior Economist specializing in community development and transportation economics. Her expertise includes economic and fiscal impact analysis, cost-benefit analysis, and feasibility studies. She is passionate about using data and engaging communities to drive social and economic change.

Madalina has over a decade of public sector consulting experience, which includes economic analysis for local governments, state agencies, and economic development organizations. In a previous role, Madalina worked on several economic impact studies, including the Economic Impact of Ports in Washington State for the Washington Public Ports Association, the Maritime and Clean Economy Impact study for Washington Maritime Blue, and the Economic Impact of the Port of Seattle's maritime and aviation business, including the Sea-Tac International Airport, maritime cargo, and commercial fishing and recreational boating. Before moving to Washington, she also worked as a Transportation Economist at a consultancy in Glasgow, Scotland. She has a Master of Science in Operational Research from the University of Strathclyde and a Master of Science in Economics from the University of Amsterdam. She earned a Bachelor of Science in International Economics and Business from the Academy of Economic Studies in Romania.



Brian Murphy (Project Director, BERK) is a Principal at BERK with over twenty years of experience in public policy consulting. His expertise includes facilitation, strategic and business planning, economic development and market analysis, and management consulting. Brian has worked on economic impact, return on investment, and community benefits studies statewide and elsewhere in the country, including projects for Alaska Airlines, the City of Edmonds, and multiple library systems. He is currently serving as Project Manager for a tourism impact study for Chelan County.

Brian joined the firm in 2002 and is a skilled manager of complex analytic and planning projects with many moving pieces and nuanced policy choices. Brian received a B.A with Honors from UC Santa Cruz and an M.B.A from the University of Washington, where he led the school's Net Impact chapter. Previously, he was a program director for Volunteers in Asia, a non-profit cross-cultural exchange organization based at Stanford University. He is a 2003 graduate of Leadership Tomorrow.



Oliver Hirn (Analyst, BERK) specializes in municipal finance and budgeting for local government agencies. Oliver focuses on economic development and market analysis and is currently working with Chelan County on a tourism impact study. Prior to joining BERK, he worked with a local human services organization in their fundraising and grant writing department. During graduate school, he worked on public sector financing and financial modeling projects for several local jurisdictions.

Oliver has a Master of Public Administration from the Evans School of Public Policy & Governance at the University of Washington and a Bachelor of Business Administration from the University of Notre Dame.



Dr. Spencer Cohen (Strategic Advisor and Economic Impact Analysis Support, High Peak Strategy) is principal and founder of High Peak Strategy LLC. He brings 15 years' experience in economic consulting, serving clients across the U.S. and abroad. Dr. Cohen is a leading expert in port and trade economics, economic impact modeling, labor market analysis, and regional economic development. Prior to establishing High Peak Strategy LLC, he held senior economist and policy advisor positions in consulting and state government.

Dr. Cohen has a PhD in economic geography from the University of Washington, where his research examined land markets and local government finance in China. Spencer serves on the board of the Seattle Economics Council and is an affiliate professor in the University of Washington Department of Geography. He holds a Bachelor of Arts in mathematics and history (double major) from the University of Connecticut and an Masters in China Studies from the University of Washington.



Donald J. Morgan (Survey Lead, GMA Research) is the Managing Director of GMA Research. He has lectured and taught on consumer behavior, economic analysis and market research at several leading universities including Portland State University, University of Puget Sound, and the University of Washington. He has also been featured as a guest speaker at conferences and symposiums on research techniques and consumer trends. He has delivered seminars on research planning including qualitative and quantitative methodologies. Donald was part of the project team that completed the 2019 Economic Impact Study for the Port of Bremerton.

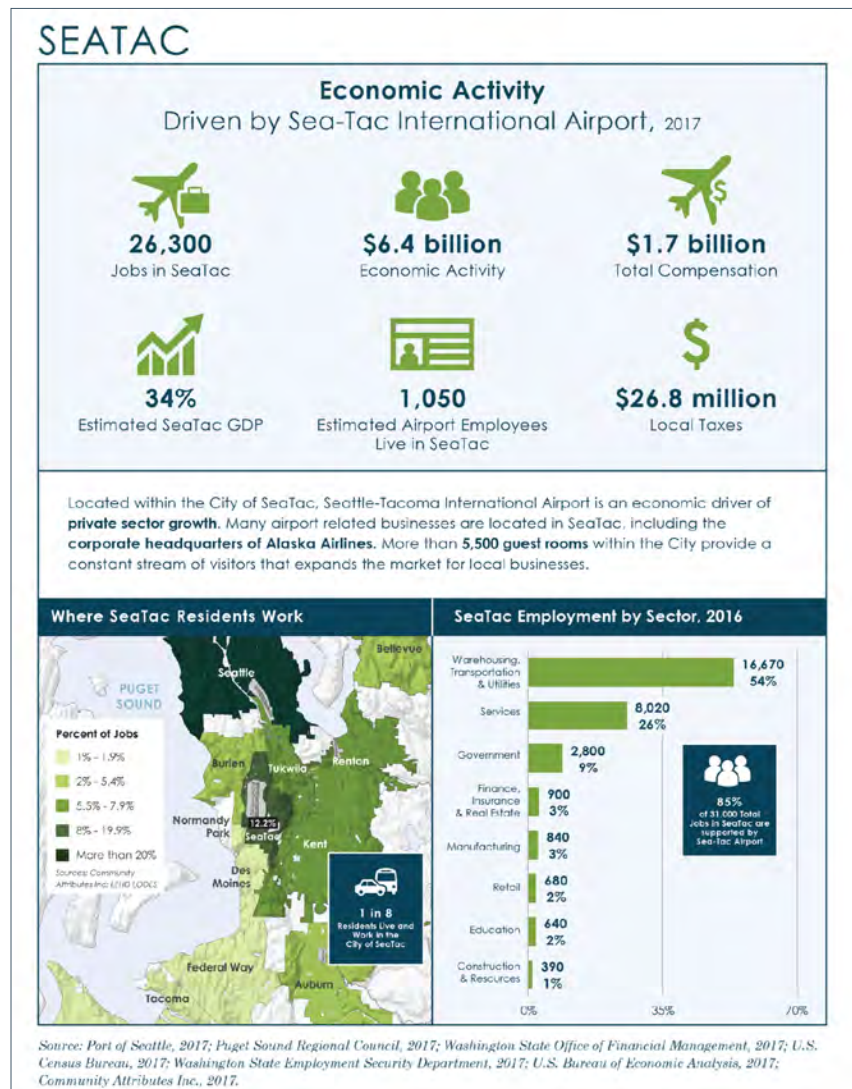
He has authored a number of articles and white papers on research methods, marketing, and public opinion surveys, and contributed to several best selling business books on marketing communication, branding, and advertising strategy. Donald is a certified Human Subjects Research Specialist through CITI (Collaborative Institutional Training Initiative). He also specializes in litigation cases involving research and surveys.

Relevant Project Experience

Port of Seattle Sea-Tac International Airport Economic Impacts

In her previous role, Madalina was the lead analyst for the Sea-Tac International Airport economic impact study which quantified direct and secondary jobs, labor income, and business and tax revenues across several categories of airport operations and off-site visitor spending activities. Analytics profiled the impacts of the airport on six South King County cities surrounding the airport, including the City of SeaTac. The study included data analysis, stakeholder interviews, an intercept survey, as well as infographics and design to convey the Airports impacts. The analysis of economic and fiscal impacts used the Washington State Input-Output model.

- **Reference:** Michael Tong, Assistant Finance Director, Budget, P: (206) 787-3321, E: tong.m@portseattle.org
- **Final report** is available [online here](#).



Chelan County Tourism Impact Study 2025

BERK has been engaged by Chelan County to conduct a comprehensive evaluation of the impacts of tourism. The study will assess the economic, fiscal, sociocultural, environmental, and community impacts of tourism on Chelan County, as summarized below. The results of the study will inform strategies to enhance the positive impacts of tourism while mitigating negative impacts.

- **Reference:** Ron Cridlebaugh, Economic Services director, Chelan County, E: ron.cridlebaugh@co.chelan.wa.us
- **Website:** The project materials are available [online here](#).

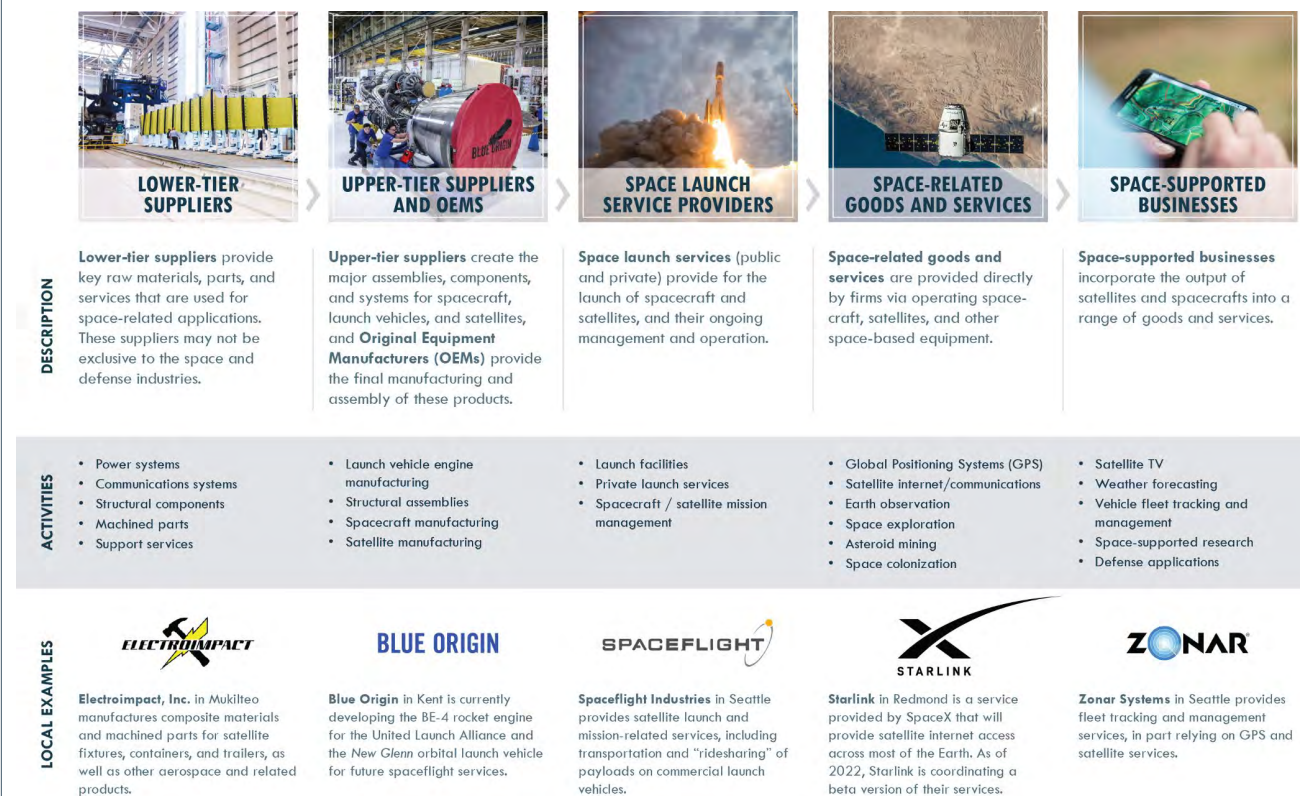


Puget Sound Regional Council 2018 and 2022 Washington State Space Economy Study

BERK completed studies of the regional and statewide space sector for PSRC in 2018 and 2022. The studies provided an overview of the space economy and major global trends, local and statewide economic impacts, a competitive analysis against other regions, and an assessment of potential strategies to bolster the strength of the state and central Puget Sound region in this area. The assessment of the regional economic impacts of space-related activities was conducted using the IMPLAN package. BERK also supported PSRC in developing a two-page summary of the key findings from the 2022 study.

- **Reference:** Jason Thibideau, Program Manager – Economic Development, P: (206) 389-2879, E: jthibedeau@psrc.org
- **Website:** The project materials are available [online here](#).

Exhibit 1. Major elements of the regional space economy supply chain.



Source: BERK, 2022.

Alaska Airlines Economic Impact Analysis 2018

BERK worked with Alaska Airlines, the fifth-largest air carrier in the United States, to provide an assessment of the economic impacts associated with the operations of Alaska Airlines and the other Alaska Airline Group (AAG) companies on the state of Washington and the Seattle region. The analysis was conducted using the IMPLAN economic impact model, and data provided by Alaska Airlines. Impacts analyzed included jobs, business revenues from operations of AAG companies, total cargo revenue, and corporate donations. BERK also developed a one-page summary of findings to provide a simple, accessible communications product for future outreach.

- **Final report** is available [online here](#).



The total economic impact of AAG companies across the economy of Washington state was **\$7 billion** in 2017 and has grown at an average of 5.9% per year over the past five years. This total impact consists of about **\$4.1 billion in direct impacts, \$1.6 billion in indirect impacts, and \$1.2 billion in induced impacts.**

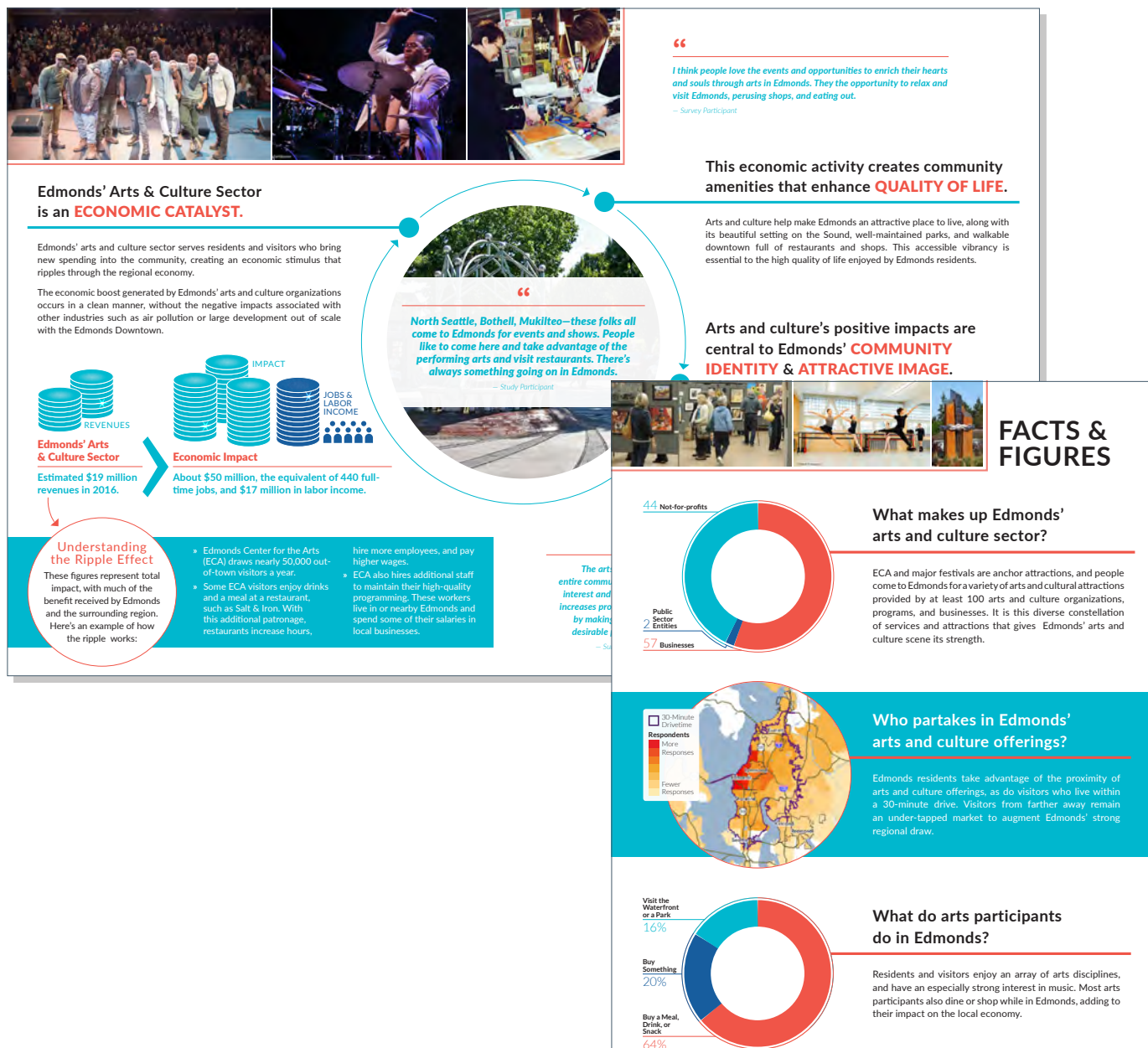


The operations of AAG companies supported **23,561 jobs in Washington state** in 2017. This includes **9,916 jobs directly with AAG companies**, as well as 5,978 jobs with companies in the supply chain and 7,667 jobs supported by the earnings of employees. This amounts to a total of 2.4 jobs in the economy for every job with AAG companies, or about 5.7 jobs per \$1 million in output.

City of Edmonds Arts & Culture Economic Impacts Analysis 2018

As part of a project team, BERK led work for the City of Edmonds to analyze and communicate the economic impacts of the community's arts and culture sector. The results of the effort featured communications materials that describe the community and economic benefits generated by Edmonds' arts and culture organizations and businesses, as well as recommendations to strengthen the sector.

- **Website:** The project materials are available [online here](#).



Port of Bellingham Whatcom County Maritime Economic Impact Study 2024

High Peak Strategy LLC worked with McKinley Research Group to produce an economic impact analysis for the Washington state maritime sector in Whatcom County, WA. The analysis includes detailed impact assessments for maritime logistics and shipping, commercial fishing and seafood processing, shipyards, recreational boating, and various maritime services.

Washington Maritime Federation Economic Impact Study Update 2023

High Peak Strategy LLC worked with McKinley Research Group to produce a statewide economic impact analysis for the Washington state maritime sector. The analysis includes detailed impact assessments for maritime logistics and shipping, commercial fishing and seafood processing, shipyards, recreational boating, and various maritime services.

- **Website:** The project materials are available [online here](#).

Washington Public Ports Association 2024 Marine Cargo Forecast

Dr. Cohen served as lead economist, working with McKinley Research Group, EBP US, and The Kemmsies Group to produce a forecast of marine cargo flows through Washington state ports, including by mode, and capacity constraints. The report includes an analysis of modal shares per cargo type and substate region, transportation challenges, and future marine cargo growth opportunities. Findings will inform strategic planning and state legislative investment policy. (2024-2025)

- **Website :** The project materials are available [online here](#).

PORT OF BREMERTON

AGENDA SUMMARY

Agenda Item No: Action Item #2

Subject: Contract with Insituform Technologies, LLC for the 2025 Port of
Bremerton Sewer Rehabilitation Cure in Place Pipe (CIPP)

Exhibits: Small Works Contract with Insituform Technologies LLC

Prepared By: Arne Bakker, COO

Meeting Date: August 12, 2025

Summary:

On June 10, 2025, the Commission authorized Port Staff to solicit bids for the Cure in Place Pipe (CIPP) sewer rehabilitation in the Olympic View Industrial Park. This was a robust and cost-effective solution to rehabilitate the sewer pipe instead of replacing the existing sewer. A total of four (4) bids were received and are as follows:

<u>Bidder</u>	<u>Total Bid Price</u>
Insituform Technologies, LLC.	\$205,256.69
Iron Horse LLC	\$257,053.52
SCI Infrastructure LLC	\$287,842.20
Sarkinen Plumbing Inc	\$289,335.77

The responsive low bid was from Insituform Technologies, LLC. The project is anticipated to be complete by the end of 2025, with the contractor having 120 days to complete the work.

Fiscal Impact:

Capital Budget 2022 Sewer Replacement:	\$423,320.00
Project Cost:	\$205,256.69
Budget Remaining:	\$218,063.31

Strategic Purpose:

This action conforms with the Port's strategic plan in Goal 2: Operate all Port facilities efficiently and cost effectively with a high degree of customer service.

Recommendation:

Staff recommend awarding bid and authorizing the CEO to execute the Small Works contract with Insituform Technologies, LLC for the 2025 Port of Bremerton Sewer Rehabilitation Cure in Place Pipe (CIPP).

Motion for Consideration:

Move to award the 2025 Port of Bremerton Sewer Rehabilitation Cure in Place Pipe (CIPP) to Insituform Technologies, LLC, and authorize the CEO to execute the contract.

**PORT OF BREMERTON
SMALL WORKS CONTRACT**

**Project: SMALL WORKS #PB41-25-0010
2025 PORT OF BREMERTON SEWER REHABILITATION
CURE IN PLACE PIPE (CIPP)**

THIS CONTRACT WAS NEGOTIATED TO FAIRLY ALLOCATE RESPONSIBILITIES, RISKS, AND EXPENSES ARISING OUT OF THE PERFORMANCE OF THIS WORK. THIS CONTRACT IS MADE AND ENTERED INTO BY AND BETWEEN THE PORT OF BREMERTON AND CONTRACTOR NOTED BELOW FOR THE WORK NOTED BELOW.

This **SMALL WORKS CONTRACT** (the "Contract") is made and entered as of the date of the last signature herein, between the **PORT OF BREMERTON** (the "Port") and Insituform Technologies, LLC (the "Contractor") for the construction of the Project described below. The Port and Contractor are collectively referred to hereinafter as the "Parties" and individually as a "Party."

CONTRACTOR:

Contractor's Name:	Insituform Technologies, LLC
Contractor's Authorized Representative:	Whittney Schulte
Contact E-mail:	wschulte@azuria.com
Contractor's Address:	580 Goddard Avenue Chesterfield, MO 63005
Telephone Number:	363-530-8000
Facsimile Number:	636-530-8701
Washington Contractor Registration Number:	INSITTL883CW
Washington UBI Number:	601-880-220
Federal Identification Number:	13-3032158

For and in consideration of the Contract Sum noted below, subject to the terms and conditions contained herein, the Attachments hereto, and the documents referenced herein, Contractor agrees to perform the following work (the "Work") in a timely and workmanlike manner, including supplying all necessary supervision, materials, equipment, supplies, and skilled and sufficient workforce, and to fully, completely, and faithfully comply with all the terms and conditions of this

Contract. Contractor will insure that each subcontract shall incorporate this Contract and be subject to its terms and conditions. The term "Contract Documents" as used herein includes this Contract and the complete set of Bid Documents for the Project.

1. **PROJECT.** Contractor shall do all Work and furnish all tools, materials, and equipment for the Port's public works project known as **SMALL WORKS #PB41-25-0010 2025 PORT OF BREMERTON SEWER REHABILITATION CURE IN PLACE PIPE (CIPP)** (the "Project") in accordance with and as more fully described in **Attachment A**.

2. **WORK.** Contractor agrees to perform the Work to construct the Project according to the plans and specifications identified herein and as more fully described in **Attachment A**.

3. **CONTRACT SUM.** The Port shall pay Contractor One Hundred Eighty-Seven Thousand Nine Hundred Sixty-Four Dollars (\$187,964.00), plus applicable Washington State sales tax of Seventeen Thousand Two Hundred Ninety-Two Dollars and Sixty-Nine Cents (\$17,292.69), for a total of Two Hundred Thousand Two Hundred Fifty-Six Dollars and Sixty-Nine Cents (\$205,256.69) (the "Contract Sum"). The Contract Sum includes all costs associated with the Project, including, but not limited to, labor, materials, overhead, administrative, and permit and regulatory costs, unless otherwise agreed to by the Parties in writing.

4. **PAYMENT TERMS.** The Contract Sum shall be payable in the following manner: On or before the fifth (5th) day of each month after Work has commenced, Contractor shall submit a detailed monthly pay request, in a form reasonably acceptable to the Port, for all Work performed during the preceding month as per this Contract (an "Invoice"). The requested payment shall be in an amount proportionate to the Work completed as reasonably determined by the Port, and shall include sufficient documentation, as required by the Port. Five (5) days prior to submitting such Invoice, Contractor shall review a draft of the Invoice and Release and Certificate of Payment ("Release") in detail with the Port and incorporate the Port's comments into the final Invoice submitted to the Port. Contractor shall submit a Release and Certificate of Payment to the Port with each pay request, calculated in accordance with progress against the Work and/or Schedule of Values. The Release shall be submitted in the form provided herein and shall constitute a representation by Contractor to the Port that, to the best of Contractor's knowledge, information, and belief, (i) the Work has progressed to the point indicated; (ii) the quality of the Work covered by the application is in accordance with the Contract Documents; and (iii) Contractor is entitled to payment in the amount requested. As a prerequisite for any payment, Contractor shall provide, on the Port's forms, partial lien releases, claim waivers, and affidavits of payment for the completed portion of Contractor's Work for itself, its subcontractors and suppliers of any tier, and from all third parties, including, but not limited to, union trust funds to which Contractor is required to pay fringe benefits or other contributions for work to be performed on the Project for the completed portions of the Work. The Port shall pay the pay request within thirty (30) days after approval of the pay request, pursuant to the terms below:

a. In the case of a dispute as to the amount owed, the Port will pay only the undisputed amount until the dispute is resolved. Contractor will not be relieved of performance herein in the case of a partial payment based upon a dispute and shall proceed with all Work until completed.

b. In cases of a single payment, the Port shall make payment only after all appropriate Releases are submitted and the retention period has expired.

c. In cases of multiple payments, the Port shall retain monies as required by RCW 60.28 and pay the retainage as provided therein.

d. Before final payment, Contractor shall furnish to the Port the following and/or the Port shall have received the following:

i. An affidavit or lien waiver, in a form acceptable to the Port, that payroll, bills for materials and equipment, and other indebtedness connected with the Work for which the Port, the Port's property, or the retention might be responsible or encumbered (less amounts withheld by Port) have been paid or otherwise satisfied;

ii. State Department of Labor & Industries - "Affidavit of Wages Paid on Public Works Contract" for Contractor and each subcontractor and/or supplier of any tier (RCW 39.12.040);

iii. If applicable, State Department of Labor and Industries - "Letter releasing the Port from Industrial Insurance Contribution Liability" (RCW 51.12.050);

iv. If applicable, State Employment Security Department – "Certificate of Payment Contributions, Penalties and Interest on Public Works Contracts" (RCW 50.24.130);

v. If applicable, State Department of Revenue "Certificate of Payment" letter pursuant to Chapter 60.28 RCW;

vi. "As-Built" drawings showing red-ink deviations and changes from the Construction Drawings;

vii. A complete set of maintenance and operation manuals for equipment items installed; and

viii. Any other close-out documents reasonably requested by the Port or required by law.

5. **CHANGE ORDERS.** A change order ("Change Order") is a written order signed by the Port's Authorized Representative and Contractor's Authorized Representative, and issued after execution of this Contract, authorizing a change in the Work, adjustment in the Contract Sum, or adjustment in the Contract Time, as defined in Section 6. The Contract Sum and Contract Time may be changed only by written Change Order.

ONLY THE PORT'S AUTHORIZED REPRESENTATIVE MAY PROVIDE CHANGE-ORDER DIRECTION. NO ORAL INSTRUCTIONS AUTHORIZING A CHANGE IN THE WORK, ADJUSTMENT IN THE CONTRACT SUM, OR ADJUSTMENT IN THE CONTRACT TIME SHALL BE VALID OR BINDING ON THE PORT. CONTRACTOR MUST OBTAIN A WRITTEN CHANGE ORDER PRIOR TO PROCEEDING WITH ANY CHANGE IN THE WORK. IF CONTRACTOR FAILS TO OBTAIN A WRITTEN CHANGE ORDER SIGNED BY THE PORT'S AUTHORIZED REPRESENTATIVE PRIOR TO COMMENCING A CHANGE IN THE WORK, CONTRACTOR WAIVES ANY AND ALL RIGHT TO AN ADJUSTMENT IN THE CONTRACT TIME OR CONTRACT SUM RELATED TO SUCH CHANGED WORK.

5.1. Contractor acknowledges that, unless expressly stated otherwise within a written Change Order, any change in the Contract Sum and/or Contract Time effected through a written Change Order shall constitute full accord and satisfaction for all costs incurred, labor performed,

material and equipment furnished, and any delay, acceleration, or loss of efficiency associated with the change in the Work.

5.2. The Port, without invalidating this Contract, may order changes in the Work within the general scope of this Contract consisting of additions, deletions, or other revisions, and the Contract Sum and Contract Time shall be adjusted accordingly. Contractor shall perform the Work as altered. Such changes in the Work shall be authorized and undertaken only with a written Change Order signed by the Port's Authorized Representative, and shall be performed under all applicable terms and conditions of this Contract.

5.3. When the Port proposes a Change Order, the cost or credit to the Port resulting from a change in the Work and adjustments in the Contract Time shall be determined in one or more of the following ways:

- a. First, by mutual agreement as to the Contract Time changes and/or mutual agreement of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluations;
- b. By unit prices stated in the Bid Documents or subsequently agreed upon;
- c. By cost to be determined in a manner agreed upon by the Parties and a mutually acceptable fixed or percentage fee; or
- d. Upon completion of the Work, by the method provided below.

5.4. If none of the methods set forth in Section 5.3(a-c) above is agreed upon, Contractor, provided a written order signed by the Port is received, shall promptly proceed with the Work involved. The cost of such Work and any adjustment in the Contract Time shall then be determined on the basis of reasonable expenditures and savings of those performing the Work attributable to the change. In case of an increase in the Contract Sum, the cost shall include a reasonable allowance for overhead and profit which shall not exceed ten percent (10%). Contractor shall keep and present an itemized accounting together with appropriate supporting data for inclusion in a Change Order. Unless otherwise provided in the Contract, cost shall include, without limitation, the following: (i) cost of materials, including sales tax and cost of delivery; (ii) cost of labor, including social security, old age and unemployment insurance, and fringe benefits required by contract or custom; (iii) workers' or workmen's compensation insurance; (iv) bond premiums; (v) rental value of equipment and machinery; (vi) additional costs of supervision and field office personnel directly attributable to the change; and (vii) fees paid to architects, engineers, and other professionals. In the event that the Port directs a change in the Work that deletes or otherwise results in a net decrease in the Work performed by Contractor, payment shall be made in accordance with the terms of this Contract for the actual Work performed. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of the net increase or decrease, if any, with respect to that change.

5.5. If unit prices are stated in the Bid Documents or subsequently agreed upon, and if quantities originally contemplated are so changed in a proposed Change Order that application of agreed unit prices to quantities proposed will cause substantial inequity to the Port or Contractor, applicable unit prices shall be equitably adjusted.

5.6. Contractor's overhead and profit shall be deemed to be allocated evenly across all aspects of the Work, and Contractor shall not receive a weighted allocation of profit and overhead for different aspects of the Work.

6. **COMPLETION DEADLINE/LIQUIDATED DAMAGES.** Contractor shall promptly commence the Work upon receipt of a Notice to Proceed from the Port. The Work to be performed under **Attachment A** for the Project must be completed within One Hundred and Twenty (120) calendar days of the Notice to Proceed (the "Contract Time"). If the Work for the Project is not completed by such date, then, because of the difficulty in computing the actual damages to the Port arising from any delay in completing the Work, it is agreed by the Parties that Contractor shall pay the Port One Hundred Dollars (\$100.00) for each calendar day that the Work remains incomplete after expiration of the specified completion deadline. The Parties agree that such amount represents a reasonable forecast of the actual damages the Port will suffer by failure of Contractor to complete the Work within the agreed upon Contract Time and is not an arbitrary penalty. The execution of this Contract constitutes acknowledgement by Contractor that Contractor has ascertained and agrees that the Port will actually suffer damages in the above amount.

7. **WARRANTY.** Contractor warrants that all materials and equipment shall be new unless otherwise specified, of good quality, and free from defective workmanship and materials. Contractor further warrants that the Work shall be free from defects in workmanship and material, and shall transfer to the Port all written warranties related to the Work performed and equipment installed. Contractor further warrants that the Work will conform to the requirements of the Contract Documents, will be performed in a skillful and workmanlike manner in compliance with all applicable codes, and will be free from defects, except for those inherent in the quality of the Work which the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. If required by the Port, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. Contractor shall fully guarantee all the Work (including labor and materials) for a minimum period of three hundred sixty-five (365) days after the date of substantial completion acceptance by the Port. Any additional or longer warranty periods contained in the Contract, the Project's Technical Specifications, Contract Drawings, or other Contract Documents shall apply. The Port shall promptly notify Contractor of all warranty claims and allow Contractor reasonable access to the Project to correct or repair the Work at no cost to the Port. Contractor's warranty obligations hereunder are in addition to any and all other remedies available to the Port under law and equity.

8. **PREVAILING WAGES.** Contractor shall pay prevailing wages as required by all applicable law and, without limiting the generality of the foregoing, shall comply with Chapters 39.12 and 49.28 RCW. Notice of intent to pay prevailing wages and prevailing wage rates for the Project must be posted for the benefit of workers. At the completion of the Project, Contractor, and its subcontractors and suppliers of any tier, shall submit Affidavits of Wages Paid to the Washington State Department of Labor and Industries ("L&I") for certification. Final payment on the Contract shall be withheld until the Port receives certification from the L&I that prevailing wage requirements have been satisfied. Information on current prevailing wage rates can be obtained at <https://www.lni.wa.gov/licensing-permits/public-works-projects/prevailing-wage-rates/>.

9. **BOND.** Contractor shall provide a performance and payment bond for the faithful performance and payment of all its obligations under this Contract and in accordance with RCW 39.08 (the "Contractor's Bonds"). The performance bond shall remain in effect to guarantee the

repair and replacement of defective equipment, materials, or workmanship, and payment of damages sustained by the Port on account of such defects, discovered within one (1) year after final acceptance by the Port. **THE PORT MAY WITHHOLD PAYMENT TO CONTRACTOR UNTIL SUCH CONTRACTOR'S BOND IS RECEIVED AND/OR TERMINATE THIS CONTRACT IF CONTRACTOR FAILS TO TIMELY PROVIDE THE CONTRACTOR'S BOND.** In the event the Contract Sum is less than One Hundred Fifty Thousand Dollars (\$150,000.00), and upon written request from Contractor prior to the first (1st) payment under this Contract, in lieu of the Contractor's Bonds, the Port may retain ten percent (10%) of the Contract Sum from each payment for a period of thirty (30) days after date of final acceptance, or until receipt of all necessary releases from the Department of Revenue, the Employment Security Department, and L&I, and settlement of any liens filed under Chapter 60.28 RCW, whichever is later pursuant to RCW 39.08.010(3).

10. **INDEMNIFICATION.** To the fullest extent permitted by law, Contractor agrees to defend, indemnify, and hold harmless the Port, and its officers, agents, and employees, from and against claims, damages, losses, and expenses, including, but not limited to, attorneys' fees and costs, consulting fees, expert fees, and expenses, arising out of or resulting from performance of the Work. Contractor's indemnity and defense obligations do not extend to liability resulting from the sole negligence of the Port and their agents. Contractor's duty to indemnify and defend the Port for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (a) the Port, and/or their agents; and (b) Contractor, and/or its agents, employees, and subcontractors and suppliers of any tier, shall apply only to the extent of the negligence of Contractor, and/or its agents, employees, and subcontractors and suppliers of any tier.

This indemnification obligation shall include, but is not limited to, all claims against the Port by an employee or former employee of Contractor or any subcontractor. **FOR PURPOSES OF THE FOREGOING INDEMNIFICATION PROVISION, AND ONLY TO THE EXTENT OF CLAIMS AGAINST CONTRACTOR BY THE PORT UNDER SUCH INDEMNIFICATION PROVISION, CONTRACTOR SPECIFICALLY WAIVES ANY IMMUNITY IT MAY BE GRANTED UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, THE UNITED STATES LONGSHORE AND HARBOR WORKERS COMPENSATION ACT, 33 USC §901-950, OR ANY OTHER SIMILAR WORKERS' COMPENSATION SCHEMES. THE INDEMNIFICATION OBLIGATION UNDER THIS CONTRACT SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION, OR BENEFITS PAYABLE TO OR FOR ANY THIRD PARTY UNDER WORKERS' COMPENSATION ACTS, DISABILITY BENEFIT ACTS, OR OTHER EMPLOYEE BENEFIT ACTS. THE FOREGOING PROVISION WAS SPECIFICALLY NEGOTIATED AND AGREED UPON BY THE PARTIES HERETO.**

11. **INSURANCE.**

11.1 **Insurance Coverages.** Contractor shall obtain, and keep in force during the term of this Contract, insurance policies as set forth below and Contractor will insure that each subcontractor meets the requirements of this Section:

a. Comprehensive General Liability. Commercial General Liability ("CGL") Insurance policy covering all claims for bodily injury (including, without limitation, death); property damage (including, without limitation, all real and personal property located on the Premises or the Port's property), and personal and advertising injury arising from the Premises or the Port's property as a result of or arising out of Contractor's operations under this Lease.

The limits of liability shall be not less than Two Million Dollars (\$2,000,000.00) for each occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to the Premises or the general aggregate limit shall be twice the required occurrence limit. The Port may impose changes in the limits of liability (i) on any Periodic Adjustment Date; (ii) as a condition of approval of assignment or sublease of this Contract; (iii) upon any breach of the environmental liability provision herein; (iv) upon a material change in the condition of any Tenant Improvements; or (v) upon a change in the Authorized Use. If the liability limits are changed, Contractor shall obtain new or modified insurance coverage within thirty (30) days after changes in the limits of liability are required by the Port. A lapse in coverage shall be considered a default. The CGL policy shall be written on an occurrence basis with the insurer's duty to defend outside of the limits of the policy, meaning that the defense obligation does not erode the liability limits. Any deductible shall be no greater than Twenty-Five Thousand Dollars (\$25,000.00) and defense costs shall satisfy the deductible. All deductibles are the responsibility of Contractor. In the event the Port pays a deductible, Contractor shall reimburse the Port no later than thirty (30) days after invoice for the same. No self-insured retentions shall be allowed unless approved by the Port in writing. The CGL coverage shall be at least as broad as Insurance Services Office ("ISO") Form CG 00 01. Coverage is to be placed with insurers authorized to conduct business in the State of Washington with a current A.M. Best's rating of no less than A: VII. The CGL policy shall provide coverage for damage to the Port's property caused by Contractor.

b. Worker's Compensation. Worker's Compensation Insurance as required by the State of Washington with statutory limits. Worker's Compensation Insurance is not required if Contractor provides written verification to the Port that it has no employees.

c. Automobile Liability. Automobile Liability Insurance using ISO Form CA 00 01 covering any auto, including non-owned and hired autos, with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage. Automobile liability insurance is not required if Contractor provides written verification to the Port that it does not own, hire, rent, or borrow any autos in conjunction with its use of the Premises. "Auto" carries the same meaning as found in ISO Form CA 00 01.

d. Contractor's Pollution Liability Insurance. If required in **Attachment A**, Contractor shall, prior to commencement of the Work and throughout the entire period of performance by Contractor, procure and maintain Contractor's Pollution Liability Insurance with a limit no less than Two Million Dollars (\$2,000,000.00) per claim or occurrence and Two Million Dollars (\$2,000,000.00) aggregate per policy period of one (1) year, including coverage for transportation, for a minimum amount of One Million Dollars (\$1,000,000.00) combined single limit for bodily injury and property damage, with the Port named as an additional insured. Contractor shall provide the Port evidence satisfactory to the Port of such insurance coverage and additional insurance certificate prior to undertaking any Work. Contractor's insurance coverage shall be primary insurance as respects the Port. Contractor's Pollution Liability Insurance Policy can be issued on either a claims-made or claims-occurrence form. If issued on a claims-made form, the following additional terms apply to Contractor's Pollution Liability Insurance policy: (i) coverage shall be maintained for a minimum of six (6) years after Contract completion, with evidence of the same provided to the Port annually; (ii) the Retroactive Date must be shown and must be before the date of this Contract or commencement of Work hereunder; and (iii) if the policy is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the date of the Contract or commencement of Work hereunder, Contractor must purchase "extended reporting" coverage for a minimum of six (6) years after completion of the Contract Work.

e. Longshoremen and Harbor Worker's Insurance. If required in **Attachment A**, Contractor shall, prior to commencement of the Work and throughout the entire period of performance by Contractor, procure and maintain United States Longshore and Harbor Workers Insurance ("USL&H"), in a form and with insurers acceptable to the Port.

f. Excess or Umbrella Insurance. If any Excess or Umbrella Insurance policies are used to meet the limits of liability required herein, said policies shall be "following form" of the underlying policy coverage, terms, conditions, and provisions, and shall meet all of the liability insurance requirements stated herein, as evidenced by a Following Form Endorsement. Such Excess or Umbrella Insurance carrier shall have a duty to defend the Port outside of the policy limits. No insurance policies maintained by the additional insureds, whether primary or excess, shall be called upon to contribute to a loss until Contractor's primary and excess liability policies are exhausted.

11.2 Insurance Provisions. The insurance policies required above shall contain, or be endorsed to contain, the following provisions:

a. Additional Insured. The foregoing liability insurance policies shall name the Port as additional insured by way of a policy endorsement at least as broad as ISO Form CG 20 10. The defense and indemnification of the Port as an "additional insured" will not be affected by any act or omission by Contractor which might otherwise result in a forfeiture of said insurance.

b. Primary Coverage. For claims related to or arising from this Lease, Contractor's coverage shall be primary and non-contributory, and at least as broad as ISO CG 20 01 04 13 with respects to the Port, and its elected officials, employees, or agents.

c. Notice of Change or Cancellation. Each required insurance policy shall provide that coverage shall not be materially changed, amended, or canceled with respect to the Port except upon thirty (30) days' prior written notice from the insurance company to the Port.

d. Waiver of Subrogation. Contractor grants the Port, and its elected officials, employees, and agents, a waiver of any right to subrogation which any insurer of Contractor may acquire against the Port by virtue of the payment of any loss under such insurance. Contractor shall obtain any endorsement(s) that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether the Port has received such an endorsement from the insurer.

e. Separation of Insureds. The CGL policy shall contain a separation of insureds provision such that the policy applies separately to each insured that is subject of a claim or suit. The CGL policy shall not contain a cross-claim, cross-suit, or other exclusion that eliminates coverage by one insured against another.

f. Certificates and Policy Documents. Contractor shall provide certificates of insurance, policy declarations, and endorsement pages, and, if requested, copies of any policy, to the Port evidencing insurance compliant with this Section 11. Receipt of such documents by the Port does not constitute approval by the Port of the terms of such policy

12. JOB SAFETY/HOUSEKEEPING. Contractor, and its lower-tier subcontractors and suppliers, shall take all reasonably necessary safety precautions pertaining to its Work and its

Work performance, including, but not limited to, compliance with applicable laws, ordinances, regulations, and orders issued by a public authority, whether federal, state, local, or other, OSHA/WISHA, and any safety measures requested by the Port. Contractor shall at all times be responsible for providing a safe jobsite and for the Work performance and safety of all employees, personnel, equipment, and materials within Contractor's, or its lower-tier subcontractor or supplier's, care, custody, or control. Contractor and its lower-tier subcontractors and suppliers shall furnish all required safety equipment for its Work and shall ensure all of their employees and lower-tier subcontractors and suppliers' employees have and wear personal protective equipment in compliance with applicable OSHA/WISHA requirements and the Port's safety rules, as provided in writing to Contractor. Contractor shall promptly provide the Port with written notice of any safety hazard(s) or violation(s) found on the jobsite. Contractor agrees to defend, indemnify, and hold the Port harmless from all WISHA and/or OSHA claims, demands, proceedings, violations, penalties, assessments, or fines that arise out of or relate to Contractor or its subcontractors or suppliers' failure to comply with any safety-related laws, ordinances, rules, regulations, orders, or its obligations hereunder. The Port may charge against the sums otherwise owing to Contractor the amount of the fine and/or fees, costs, and expenses incurred by the Port in the defense of the claim's citation and/or fine arising from or related to Contractor's above-referenced failure.

12.1 All Work done shall be done in a manner that minimizes interruptions or inconvenience to the public and/or the Port and/or the Port's tenants. All Work shall be carried on with due regard for the safety of the public, and Contractor shall maintain strict compliance with the appropriate provisions relating to control of traffic and pedestrians through work areas as set forth in the Manual on Uniform Traffic and Control Devices (current edition) as adopted by the Washington State Department of Transportation. Property and streets adjacent to the Project site shall be kept free and clear at all times from accumulations of mud, dirt, gravel, rock, and other matter. Contractor will be responsible for daily and final clean up and disposal of refuse, waste, and debris produced by its operation. Refuse shall not be permitted to accumulate to the extent that it interferes with free access to the Project site. Should the Port determine Contractor is not fulfilling its obligation in this regard, the Port reserves the right to take such action as may be necessary and to charge Contractor with any costs that may be incurred in such remedial action.

13. **COMPLIANCE WITH CODES AND REGULATIONS.** Contractor shall comply with all applicable statutes in performing the Work, including, but not limited to, all federal, state, and local laws, regulations, codes, and standards that are applicable at the time Contractor performs the Work.

14. **PERMITS AND INSPECTIONS.** Unless specified otherwise in the Contract, Contractor shall obtain and pay for all required permits, including the General Building Permit and any associated plan check fees, etc. Contractor is to provide and pay for any required plan development, engineering, etc., required to obtain the needed permits. Contractor shall pay for any and all inspections necessary for execution and completion of the Work.

15. **TAXES AND TEMPORARY FUNCTIONS.** Contractor shall pay any and all federal, state, and municipal taxes, including sales taxes, if any, for which Contractor may be liable in carrying out this Contract. Contractor shall be responsible for all temporary functions associated with its Work, including but not limited to, lighting, wiring, protection, hoisting, scaffolding, rigging, flagmen, drinking water, storage, ventilation, and heat.

16. **TERMINATION.** The Port may, by written notice, terminate this Contract, in whole or in part, at any time, either for the Port's convenience or because of failure to fulfill the Contract obligations. Upon receipt of such notice, Work must be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this Contract, whether completed or in progress, delivered to the Port. If the termination is for the convenience of the Port, payment shall be made in accordance with the terms of this Contract for the actual Work performed through the date of termination, including Contractor's reasonable closeout costs. In no case shall Contractor be paid for anticipated profit on unperformed Work. If the termination is due to Contractor's failure to fulfill its obligations, the Port may take over the Work and prosecute the same to completion. In such case, Contractor is liable to the Port for any additional cost occasioned to the Port thereby.

17. **GENERAL PROVISIONS.** The following general conditions shall apply:

17.1 **Notices.** Any notice or demand desired or required to be given under this Contract shall be in writing and deemed given when personally delivered, sent by facsimile machine, sent by electronic mail, or deposited in the United States Mail (or with an express courier), postage prepaid, sent certified or registered mail, and addressed to the Authorized Representative as set forth above at such address as set forth above. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Electronic transmission of any signed original document, and retransmission of any signed electronic transmission, shall be the same as delivery of an original document.

17.2 **Modification.** No modification of this Contract and no waiver of rights under this Contract shall be valid or binding on the Parties unless the same is in writing.

17.3 **Waiver.** No failure by the Port to insist upon the strict performance of any covenant, duty, contract, or condition of this Contract, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any other covenant, contract, term, or condition. Any waiver by the Port must be expressly made in writing and signed by the Port.

17.4 **Assignment.** Neither Party shall assign, transfer, or otherwise dispose of this Contract, in whole or part, to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the provisions of the preceding sentence, this Contract shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto. This Contract is made only for the benefit of the Port and Contractor, and their successors in interest, and no third party or person shall have any rights hereunder whether by agency or as a third-party beneficiary.

17.5 **Severability.** If any term, covenant, or condition of this Contract is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remainder of this Contract shall remain in effect.

17.6 **Dispute Resolution.** If any dispute, controversy, or claim arises out of this Contract, the Parties agree to first try to settle the dispute, controversy, or claim in non-binding mediation with the assistance of a recognized professional mediation service selected by the Port. The Parties shall each designate a representative with full settlement authority who will participate in the mediation. The Parties shall bear all expenses associated with the mediation equally, except for attorneys' fees.

17.7 **Jurisdiction/Law.** This Contract shall be governed by and construed in accordance with the laws of the State of Washington. Any suit to enforce or relating to this Contract shall be brought exclusively in Kitsap County Superior Court, Kitsap County, Washington. The Parties expressly waive their rights to a jury trial.

17.8 **Attorneys' Fees.** In the event that any Party commences litigation against the other Party relating to the performance, enforcement, or breach of this Contract, the substantially prevailing Party in such action shall be entitled to all costs, including attorneys' fees and costs, and any such fees or costs incurred on appeal.


17.9 **Subcontractor Responsibility.** Contractor's standard subcontract form shall include the subcontractor responsibility language required by RCW 39.06.020, and Contractor shall have an established procedure which it utilizes to validate the responsibility of each of its subcontractors. Contractor's subcontract form shall also include a requirement that each of its subcontractors shall have and document a similar procedure to determine whether the sub-tier subcontractors with whom it contracts are also "responsible" subcontractors as defined by RCW 39.06.020.

17.10 **Entire Agreement.** This Contract, and its Attachments hereto, contain the entire understanding between the Port and Contractor relating to the Project which is the subject of this Contract. This Contract merges all prior discussions, negotiations, letters of understanding, or other promises whether oral or in writing. Subsequent modification or amendment of this Contract shall be in writing and signed by the Port and Contractor.

THIS CONTRACT CONTAINS INDEMNIFICATIONS FROM CONTRACTOR TO THE PORT, RELEASES BY CONTRACTOR, AND A LIMITED WAIVER OF IMMUNITY UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, OR ANY OTHER SIMILAR WORKERS' COMPENSATION SCHEMES.

CONTRACTOR:

Insituform Technologies, LLC.


By: Whitney Schulte
Its: Contracting & Attesting Officer
Dated: 8/4/25

PORT:

PORT OF BREMERTON

By: Jim Rothlin
Its: CEO
Dated: _____

PORT OF BREMERTON

AGENDA SUMMARY

Agenda Item No: Action Item #3

Subject: Acceptance of Federal Aviation Administration (FAA) Grant- AIP 3-53-0007-041-2025 ALP Update and EA Phase 3

Exhibits: Grant Offer 3-53-0007-041-2025

Prepared By: Cole Barnes, Airport Manager

Meeting Date: August 12, 2025

Summary:

The FAA has reviewed and approved the ALP Update and EA Phase 3 activities and has issued a grant offer for the projects. The grant will cover (\$59,346.00) for the Environmental Assessment (Phase 3) – Biological Assessment (BA) Formal Consultation, (\$33,812) for the Environmental Assessment (Phase 3) – EA Completion (Section 508 Compliance) and (\$326,757) for the Airport Layout Plan Update with Narrative. These three projects will be combined into a single grant of (\$419,915). This grant will work in conjunction with the (\$300,000) awarded in the state transportation budget. The Port will be required to fund the remaining (\$17,197.49).

Fiscal Impact:

Federal Grant- Federal Aviation Administration	\$419,915.00
State Grant- State Transportation Budget	\$300,000.00
<u>Required Port funds- Masterplan Capital Budget</u>	<u>\$17,197.49</u>
Total Project Costs	\$737,112.49

Strategic Purpose:

This action conforms with the Port's strategic plan in Goal Strategy 4.a. Continually assess niche markets in the Port's marinas and airfield lines of business for growth opportunities.

Recommendation:

Staff recommend acceptance of FAA grant offer for the 2025 ALP Update and EA Phase 3 in the amount of \$419,915.00.

Motion for Consideration:

Move to accept the FAA grant for AIP 3-53-0007-041-2025 for the ALP Update and EA Phase 3 and authorize Port CEO to execute the grant agreement



U.S. Department
of Transportation
Federal Aviation
Administration

Airports Division
Northwest
Mountain Region
Oregon, Washington

Seattle Airports District Office:
2200 S 216th St
Des Moines, WA 98198

Mr. Jim Rothlin, CEO
Port of Bremerton
Bremerton National Airport
8850 SW State Hwy 3
Bremerton, WA 98312

Dear Mr. Rothlin:

The Grant Offer for Infrastructure Investment and Jobs Act (IIJA) Airport Infrastructure Grant (AIG) Project No. 3-53-0007-041-2025 at Bremerton National Airport is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the grant offer carefully.

You may not make any modification to the text, terms or conditions of the grant offer.

Steps You Must Take to Enter Into Agreement.

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **August 18, 2025**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

Payment. Subject to the requirements in 2 CFR § 200.305 (Federal Payment), each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

Project Timing. The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date (1,460 days from the grant execution

date). We will be monitoring your progress to ensure proper stewardship of these Federal funds. We expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in “inactive” status if you do not make draws on a regular basis, which will affect your ability to receive future grant offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

Reporting. Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31st of each year this grant is open:
 1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
 2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit [FAA Form 5100-140, Performance Report](#) within 30 days of the end of the Federal fiscal year.
- For construction projects, you must submit [FAA Form 5370-1, Construction Progress and Inspection Report](#), within 30 days of the end of each Federal fiscal quarter.

Audit Requirements. As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR Part 200. Subpart F requires non-Federal entities that expend \$1,000,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

Closeout. Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

FAA Contact Information. Agnes Fisher, (206) 231-3984, Agnes.Fisher@faa.gov is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,

Ryan C. Zulauf
Acting Manager, Seattle Airports District Office



U.S. Department
of Transportation
Federal Aviation
Administration

**FY 2025 AIRPORT INFRASTRUCTURE GRANT
GRANT AGREEMENT
Part I - Offer**

Federal Award Offer Date	
Airport/Planning Area	Bremerton National Airport
Airport Infrastructure Grant Number	3-53-0007-041-2025 (Contract Number: DOT-FA25NM-047)
Unique Entity Identifier	QDKNZNLEX967
TO:	Port of Bremerton, Washington (herein called the "Sponsor")

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated June 25, 2025, for a grant of Federal funds for a project at or associated with the Bremerton Ntl Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Bremerton Ntl Airport (herein called the "Project") consisting of the following:

Update Airport Master Plan Study, including environmental study for Eastside Development Area; which is more fully described in the Project Application.

NOW THEREFORE, Pursuant to and for the purpose of carrying out the Infrastructure Investment and Jobs Act (IIJA) (Public Law (P.L.) 117-58) of 2021; FAA Reauthorization Act of 2024 (P.L. 118-63); and the representations contained in the Project Application; and in consideration of (a) the Sponsor's adoption and ratification of the attached Grant Assurances dated April 2025, interpreted and applied consistent with the FAA Reauthorization Act of 2024; (b) the Sponsor's acceptance of this Offer; and (c) the

benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurance and conditions as herein provided;

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay (95) % of the allowable costs incurred accomplishing the Project as the United States share of the Project.

Assistance Listings Number (Formerly CFDA Number): 20.106

This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$419,915.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$419,915 for planning

\$0 for airport development; and,

\$0 for land acquisition.

2. **Grant Performance.** This Grant Agreement is subject to the following Federal award requirements:

- a. Period of Performance:

1. Shall start on the date the Sponsor formally accepts this Agreement and is the date signed by the last Sponsor signatory to the Agreement. The end date of the Period of Performance is 4 years (1,460 calendar days) from the date of acceptance. The Period of Performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.
2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods (2 Code of Federal Regulations (CFR) § 200.1) except as noted in 49 U.S.C § 47142(b).

- b. Budget Period:

1. For this Grant is 4 years (1,460 calendar days) and follows the same start and end date as the Period of Performance provided in paragraph 2(a)(1). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the Budget Period and as stated in 49 U.S.C § 47142(b). Eligible project-related costs incurred on or after November 15, 2021 that comply with all Federal funding procurement requirements and FAA standards are allowable costs.
2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which Sponsors are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR § 200.308.

- c. Close Out and Termination

Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later

than 120 calendar days after the end date of the Period of Performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the grant within one year of the Period of Performance end date with the information available at the end of 120 days (2 CFR § 200.344). The FAA may terminate this agreement and all of its obligations under this agreement if any of the following occurs:

- (a) (1) The Sponsor fails to obtain or provide any Sponsor grant contribution as required by the agreement;
 - (2) A completion date for the Project or a component of the Project is listed in the agreement and the Recipient fails to meet that milestone by six months after the date listed in the agreement;
 - (3) The Sponsor fails to comply with the terms and conditions of this agreement, including a material failure to comply with the Project Schedule even if it is beyond the reasonable control of the Sponsor;
 - (4) Circumstances cause changes to the Project that the FAA determines are inconsistent with the FAA's basis for selecting the Project to receive a grant; or
 - (5) The FAA determines that termination of this agreement is in the public interest.
- (b) In terminating this agreement under this section, the FAA may elect to consider only the interests of the FAA.
- (c) The Sponsor may request that the FAA terminate the agreement under this section.

3. **Ineligible or Unallowable Costs.** In accordance with P.L. 117-58, Division J, Title VIII, and 49 U.S.C. § 47110, the Sponsor is prohibited from including any costs in the grant funded portions of the project that the FAA has determined to be ineligible or unallowable, including costs incurred to carry out airport development implementing policies and initiatives repealed by Executive Order 14148, provided such costs are not otherwise permitted by statute.
4. **Indirect Costs - Sponsor.** The Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with 49 U.S.C. § 47109, the regulations, policies, and procedures of the Secretary of Transportation ("Secretary"), and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this Agreement, IIJA (P.L. 117-58), and the regulations, policies, and procedures of the Secretary. Per 2 CFR § 200.308, the Sponsor agrees to report and request prior FAA approval for any disengagement from performing the project that exceeds three months or a 25 percent reduction in time devoted to the

project. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the grant assurances, which are part of this Agreement.

7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before August 18, 2025, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds and Mandatory Disclosure.**
 - a. The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
 - b. The Sponsor, a recipient, and a subrecipient under this Federal grant must promptly comply with the mandatory disclosure requirements as established under 2 CFR § 200.113, including reporting requirements related to recipient integrity and performance in accordance with Appendix XII to 2 CFR Part 200.
10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this Grant Agreement.
11. **System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).**
 - a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR § 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
 - b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/content/entity-registration>.
12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this Agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

13. **Informal Letter Amendment of IIJA Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can, subject to the availability of Federal funds, also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Environmental Standards.** The Sponsor is required to comply with all applicable environmental standards, as further defined in the Grant Assurances, for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Grant Agreement.
15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
16. **Buy American.** Unless otherwise approved in advance by the FAA, in accordance with 49 U.S.C. § 50101, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this Grant. The Sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this Grant.
17. **Build America, Buy American.** The Sponsor must comply with the requirements under the Build America, Buy America Act (P.L. 117-58).
18. **Maximum Obligation Increase.** In accordance with 49 U.S.C. § 47108(b)(3), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this Grant:
- a. May not be increased for a planning project;
 - b. May be increased by not more than 15 percent for development projects, if funds are available;
 - c. May be increased by not more than the greater of the following for a land project, if funds are available:
 1. 15 percent; or
 2. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the Sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in IIJA (P.L. 117-58), or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same Federal share provided herein for any amount increased over the initial

grant amount. The FAA may adjust the Federal share as applicable through an informal letter of amendment.

19. Audits for Sponsors.

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than \$1,000,000 in Federal awards and are exempt from Federal audit requirements must make records available for review or audit by the appropriate Federal agency officials, State, and Government Accountability Office. The FAA and other appropriate Federal agencies may request additional information to meet all Federal audit requirements.

20. Suspension or Debarment. When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:

- a. Verify the non-Federal entity is eligible to participate in this Federal program by:
 1. Checking the System for Award Management (SAM.gov) exclusions to determine if the non-Federal entity is excluded or disqualified; or
 2. Collecting a certification statement from the non-Federal entity attesting they are not excluded or disqualified from participating; or
 3. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.
- b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions with their contractors and sub-contractors.
- c. Immediately disclose in writing to the FAA whenever (1) the Sponsor learns it has entered into a covered transaction with an ineligible entity or (2) the Public Sponsor suspends or debars a contractor, person, or entity.

21. Ban on Texting While Driving.

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
 - i. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - ii. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded with this Grant.

22. Trafficking in Persons.

1. *Posting of contact information.*
 - a. The Sponsor must post the contact information of the national human trafficking hotline (including options to reach out to the hotline such as through phone, text, or TTY) in all public airport restrooms.
2. *Provisions applicable to a recipient that is a private entity.*
 - a. Under this Grant, the recipient, its employees, subrecipients under this Grant, and subrecipients employees must not engage in:
 - i. Severe forms of trafficking in persons;
 - ii. The procurement of commercial sex act during the period of time that the grant or cooperative agreement is in effect;
 - iii. The use of forced labor in the performance of this grant; or any subaward; or
 - iv. Acts that directly support or advance trafficking in person, including the following acts;
 - a) Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;
 - b) Failing to provide return transportation of pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:
 1. Exempted from the requirement to provide or pay for such return transportation by the federal department or agency providing or entering into the grant; or
 2. The employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or witness in a human trafficking enforcement action;
 - c) Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;
 - d) Charging recruited employees a placement or recruitment fee; or
 - e) Providing or arranging housing that fails to meet the host country's housing and safety standards.
 - b. The FAA, may unilaterally terminate this Grant, or take any remedial actions authorized by 22 U.S.C 7104b(c), without penalty, if any private entity under this Grant;
 - i. Is determined to have violated a prohibition in paragraph (2)(a) of this Grant;
 - ii. Has an employee that is determined to have violated a prohibition in paragraph (2)(a) of this Grant through conduct that is either:
 - a) Associated with performance under this Grant; or
 - b) Imputed to the recipient or subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR

Part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” as implemented by the FAA at 2 CFR Part 1200.

3. *Provision applicable to a recipient other than a private entity.*
 - a. The FAA may unilaterally terminate this award or take any remedial actions authorized by 22 U.S.C 7104b(c), without penalty, if subrecipient than is a private entity under this award;
 - i. Is determined to have violated a prohibition in paragraph (2)(a) of this Grant or
 - ii. Has an employee that is determined to have violated a prohibition in paragraph (2)(a) of this Grant through conduct that is either:
 - a) Associated with performance under this Grant; or
 - b) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR Part 1200.
4. *Provisions applicable to any recipient.*
 - a. The recipient must inform the FAA and the DOT Inspector General, immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (2)(a) of this Grant.
 - b. The FAA’s right to unilaterally terminate this Grant as described in paragraph (2)(b) or (3)(a) of this Grant, implements the requirements of 22 U.S.C. chapter 78 and is addition to all other remedies for noncompliance that are available to the FAA under this Grant:
 - c. The recipient must include the requirements of paragraph (2)(a) of this Grant award term in any subaward it makes to a private entity.
 - d. If applicable, the recipient must also comply with the compliance plan and certification requirements in 2 CFR 175.105(b).
5. *Definitions.* For purposes of this Grant award, term:
 - a. “Employee” means either:
 - i. An individual employed by the recipient or a subrecipient who is engaged in the performance of the project or program under this Grant; or
 - ii. Another person engaged in the performance of the project or program under this Grant and not compensated by the recipient including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or requirements.
 - b. “Private entity” means:
 - i. Any entity, including for profit organizations, nonprofit organizations, institutions of higher education, and hospitals. The term does not include foreign public entities, Indian Tribes, local governments, or states as defined in 2 CFR 200.1.
 - ii. The terms “severe forms of trafficking in persons,” “commercial sex act,” “sex trafficking,” “Abuse or threatened abuse of law or legal process,” “coercion,” “debt

bondage,” and “involuntary servitude” have the meaning given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

23. **IJA Funded Work Included in a PFC Application.** Within 120 days of acceptance of this Grant Agreement, the Sponsor must submit to the FAA an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this Grant Agreement as described in the project application. The airport sponsor may not make any expenditure under this Grant Agreement until project work addressed under this Grant Agreement is removed from an approved PFC application by amendment.
24. **Exhibit “A” Property Map.** The Exhibit “A” Property Map dated August 11, 2020, is incorporated herein by reference or is submitted with the project application and made part of this Grant Agreement.
25. **Employee Protection from Reprisal.** In accordance with 2 CFR § 200.217 and 41 U.S.C. § 4701, an employee of a grantee, subgrantee contractor, recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. The grantee, subgrantee, contractor, recipient, or subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. § 4712. See statutory requirements for whistleblower protections at 10 U.S.C. § 4701, 41 U.S.C. § 4712, 41 U.S.C. § 4304, and 10 U.S.C. § 4310.
26. **Prohibited Telecommunications and Video Surveillance Services and Equipment.** The Sponsor agrees to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [P.L. 115-232 § 889(f)] and 2 CFR § 200.216.
27. **Critical Infrastructure Security and Resilience.** The Sponsor acknowledges that it has considered and addressed physical and cybersecurity and resilience in its project planning, design, and oversight, as determined by the DOT and the Department of Homeland Security (DHS). For airports that do not have specific DOT or DHS cybersecurity requirements, the FAA encourages the voluntary adoption of the cybersecurity requirements from the Transportation Security Administration and Federal Security Director identified for security risk Category X airports.
28. **Title VI of the Civil Rights Act.** As a condition of a grant award, the Sponsor shall demonstrate that it complies with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq) and implementing regulations (49 CFR part 21), the Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.), U.S. Department of Transportation and Federal Aviation Administration (FAA) Assurances, and other relevant civil rights statutes, regulations, or authorities, including any amendments or updates thereto. This may include, as applicable, providing a current Title VI Program Plan to the FAA for approval, in the format and according to the timeline required by the FAA, and other information about the communities that will be benefited and impacted by the project. A completed FAA Title VI Pre-Grant Award Checklist is required for every grant application, unless excused by the FAA. The Sponsor shall affirmatively ensure that when carrying out any project supported by this grant that it complies with all federal nondiscrimination and civil rights

laws based on race, color, national origin, sex, creed, age, disability, genetic information, in consideration for federal financial assistance. The Department's and FAA's Office of Civil Rights may provide resources and technical assistance to recipients to ensure full and sustainable compliance with Federal civil rights requirements. Failure to comply with civil rights requirements will be considered a violation of the agreement or contract and be subject to any enforcement action as authorized by law.

29. **FAA Reauthorization Act of 2024.** This grant agreement is subject to the terms and conditions contained herein including the terms known as the Grant Assurances as they were published in the Federal Register April 2025. On May 16, 2024, the FAA Reauthorization Act of 2024 made certain amendments to 49 U.S.C. chapter 471. The Reauthorization Act will require the FAA to make certain amendments to the assurances in order to best achieve consistency with the statute. Federal law requires that the FAA publish any amendments to the assurances in the Federal Register along with an opportunity to comment. In order not to delay the offer of this grant, the existing assurances are attached herein; however, the FAA shall interpret and apply these assurances consistent with the Reauthorization Act. To the extent there is a conflict between the assurances and Federal statutes, the statutes shall apply. The full text of the FAA Reauthorization Act of 2024 is at

<https://www.congress.gov/bill/118th-congress/house-bill/3935/text>

30. **Applicable Federal Anti-Discrimination Laws.** Pursuant to Section (3)(b)(iv), Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, the sponsor:

- a. Agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's payment decisions for purposes of 31 U.S.C. 3729(b)(4); and
- b. certifies that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate any applicable Federal anti-discrimination laws.

31. **Federal Law and Public Policy Requirements.** The Sponsor shall ensure that Federal funding is expended in full accordance with the United States Constitution, Federal law, and statutory and public policy requirements: including but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination; and the Sponsor will cooperate with Federal officials in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in and the enforcement of Federal immigration law.

32. **National Airspace System Requirements**

- a. The Sponsor shall cooperate with FAA activities installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System, including waiving permitting requirements and other restrictions affecting those activities to the maximum extent possible, and assisting the FAA in securing waivers of permitting or other restrictions from other authorities. The Sponsor shall not take actions that frustrate or prevent the FAA from installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System.
- b. If the FAA determines that the Sponsor has violated subsection (a), the FAA may impose a remedy, including:

- (1) additional conditions on the award;
 - (2) consistent with 49 U.S.C chapter 471, any remedy permitted under 2 C.F.R. 200.339–200.340, including withholding of payments; disallowance of previously reimbursed costs, requiring refunds from the Recipient to the USDOT; suspension or termination of the award; or suspension and debarment under 2 CFR part 180; or
 - (3) any other remedy legally available.
- c. In imposing a remedy under this condition, the FAA may elect to consider the interests of only the FAA.
 - d. The Sponsor acknowledges that amounts that the FAA requires the Sponsor to refund to the FAA due to a remedy under this condition constitute a debt to the Federal Government that the FAA may collect under 2 CFR 200.346 and the Federal Claims Collection Standards (31 CFR parts 900–904).
33. **Signage Costs for Construction Projects.** The airport grant recipient hereby agrees that it will require the prime contractor of a Federally- assisted airport improvement project to post signs consistent with a DOT/FAA-prescribed format, as may be requested by the DOT/FAA, and further agrees to remove any signs posted in response to requests received prior to February 1, 2025.
34. **Title 8 - U.S.C., Chapter 12, Subchapter II - Immigration.** The sponsor will follow applicable federal laws pertaining to Subchapter 12, and be subject to the penalties set forth in 8 U.S.C. § 1324, Bringing in and harboring certain aliens, and 8 U.S.C. § 1327, Aiding or assisting certain aliens to enter

SPECIAL CONDITIONS

35. **Duffy Plaintiff Special Term.** Pursuant to the court’s preliminary injunction order in State of California v. Duffy, 1:25-cv-00208-JJM-PAS (D.R.I.) (June 19, 2025), DOT will not impose or enforce the challenged immigration enforcement condition* or any materially similar terms and conditions, to any grant funds awarded, directly or indirectly, to Plaintiff States or local government entities within those States (collectively referred to as “Plaintiff State Entities”), or otherwise rescind, withhold, terminate, or take other adverse action, absent specific statutory authority, based on the challenged immigration enforcement condition while DOT is subject to an injunction. DOT will not require Plaintiff State Entities to make any certification or other representation related to compliance with the challenged immigration enforcement condition nor will DOT construe acceptance of funding from DOT as certification as to the challenged immigration enforcement condition.
- *The challenged immigration enforcement condition:
- “[T]he Recipient will cooperate with Federal officials in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in the enforcement of Federal immigration law.”
36. **Airport Layout Plan (ALP).** The Sponsor understands and agrees to update the ALP to reflect the construction to standards satisfactory to the FAA and submit it in final form to the FAA as prescribed by 49 U.S.C. § 47107(a)(16). It is further mutually agreed that the reasonable cost of developing said

ALP is an allowable cost within the scope of this project, if applicable. Airport Sponsors Grant Assurance 29 further addresses the Sponsor's statutory obligations to maintain an ALP in accordance with 49 U.S.C. § 47107(a)(16).

37. **Update Accepted Exhibit "A" Property Map for Land in Project.** The Sponsor understands and agrees to update the Exhibit "A" Property Map to standards satisfactory to the FAA and submit it in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Exhibit "A" Property Map is an allowable cost within the scope of this project.
38. **Master Plan Coordination.** The Sponsor agrees to coordinate this master planning study with metropolitan planning organizations, other local planning agencies, and with the State Airport System Plan prepared by the State's Department of Transportation and consider any pertinent information, data, projections, and forecasts which are currently available or as will become available. The Sponsor agrees to consider any State Clearinghouse comments and to furnish a copy of the final report to the State's Department of Transportation.
39. **Airport Layout Plan (ALP) Coordination.** The Sponsor has made available to (or will make available to) and has provided (or will provide) upon request to the metropolitan planning organization, if any, in the area in which the airport is located, a copy of the proposed ALP or ALP amendment to depict the project and a copy of any airport master plan in which the project is described or depicted.
40. **Airports Geographic Information System (GIS) Survey.** If the Airport's GIS survey is not reflected in the Airports Data Information Portal (ADIP) meeting FAA requirements within four (4) years from the date of grant execution, then the Sponsor may be required to repay that portion of this Grant related to survey work.
41. **Buy American Executive Orders.** The Sponsor agrees to abide by applicable Executive Orders in effect at the time this Grant Agreement is executed, including Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the Grant Assurances, terms, and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.¹

**UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION**

(Signature)

Ryan C. Zulauf

Acting Manager, Seattle Airports District Office

¹ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this Offer and in the Project Application.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.²

Dated _____

Port of Bremerton

(Name of Sponsor)

(Signature of Sponsor's Authorized Official)

By: _____

(Typed Name of Sponsor's Authorized Official)

Title: _____

(Title of Sponsor's Authorized Official)

² Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Washington. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative, who has been duly authorized to execute this Grant Agreement, which is in all respects due and proper and in accordance with the laws of the said State; the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58) of 2021; FAA Reauthorization Act of 2024 (P.L. 118-63); and the representations contained in the Project Application. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.³

Dated at _____

By: _____

(Signature of Sponsor's Attorney)

³ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

ASSURANCES

PLANNING AGENCY SPONSORS

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

B. Duration and Applicability.

1. **Airport Development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect during the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, 37, and 40 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements**

The Sponsor will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this Grant. Performance under this agreement shall be governed by and in compliance with the following requirements, as applicable, to the type of organization of the Sponsor and any applicable sub-recipients. The applicable provisions to this agreement include, but are not limited to, the following:

FEDERAL LEGISLATION

- a. 49 U.S.C. subtitle VII, as amended.
- b. 49 U.S.C. 40103(e) – No Exclusive Rights at Certain Facilities.
- c. Federal Fair Labor Standards Act – 29 U.S.C. 201, et seq.
- d. Hatch Act – 5 U.S.C. 1501, et seq.¹
- e. Rehabilitation Act of 1973 – 29 U.S.C. 794.
- f. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin).
- g. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. 12101 et seq.) (prohibits discrimination on the basis of disability).
- h. Age Discrimination Act of 1975 – 42 U.S.C. 6101, et seq.
- i. Single Audit Act of 1984 – 31 U.S.C. 7501, et seq.¹
- j. Drug-Free Workplace Act of 1988 – 41 U.S.C. 8101 through 8105.
- k. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Public Law 110-252).
- l. Infrastructure Investment and Jobs Act, P.L. 117-58, Title VIII.
- m. Build America, Buy America Act, P.L. 117-58, Title IX.

EXECUTIVE ORDERS

- a. Executive Order 12372 - Intergovernmental Review of Federal Programs
- b. Executive Order 13166 – Improving Access to Services for Persons with Limited English Proficiency
- c. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America’s Workers
- d. Executive Order 14151 – Ending Radical and Wasteful Government DEI Programs and Preferencing
- e. Executive Order 14154 – Unleashing American Energy
- f. Executive Order 14173 – Ending Illegal Discrimination and Restoring Merit-Based Opportunity

FEDERAL REGULATIONS

- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.^{2, 3, 4}
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.
- d. 14 CFR Part 13 – Investigative and Enforcement Procedures.

- e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.
- f. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.
- g. 28 CFR 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.
- h. 49 CFR Part 20 – New Restrictions on Lobbying.
- i. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964.
- j. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.
- k. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.
- l. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.
- m. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)

FOOTNOTES TO ASSURANCE (C)(1)

- ¹ These laws do not apply to private sponsors.
- ² 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
- ³ Cost principles established in 2 CFR Part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- ⁴ Audit requirements established in 2 CFR Part 200 subpart F are the guidelines for audits.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

1. Responsibility and Authority of the Sponsor.

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

2. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States.

3. Preserving Rights and Powers

It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

4. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

5. Accounting System, Audit, and Record Keeping Requirements

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

6. Planning Projects

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not mean constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

7. Reports and Inspections.

- a. It will submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
- b. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
 - 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
 - 2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

8. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d to 2000d-4; creed and sex per 49 U.S.C. § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this grant.

- a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability
 - 1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
 - 2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
 - 3. Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
2. So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language.

It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

“The (**Port of Bremerton**), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, all businesses will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex, age, or disability in consideration for an award.”

e. Required Contract Provisions.

1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex, age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
 - a. For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
 - b. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other

participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

- g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

9. Engineering and Design Services.

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U.S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

10. Foreign Market Restrictions.

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

11. Policies, Standards, and Specifications.

It will carry out any project funded under an Airport Improvement Program Grant or an Infrastructure Investment and Jobs Act Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars ([AC Checklist for AIP, IJA and PFC Projects | Federal Aviation Administration](#)) for AIP or IJA projects

12. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

PORT OF BREMERTON

AGENDA SUMMARY

Agenda Item No: Action Item #4

Subject: Change Order No. 2 for the contract with Innovative Construction Solutions for the Bay Street Properties Environmental Remediation Project 03-23-30018

Exhibits: Change Order No. 2

Prepared By: James Weaver, Director of Marine Facilities

Meeting Date: August 12, 2025

Summary:

On March 25, 2025, the Commission authorized the award of a contract with Innovative Construction Solutions for the Bay St. Properties Environmental Remediation project. This project is for the environmental cleanup of the properties over a three-year period in compliance with the Washington State Department of Ecology and US Environmental Protection Agency regulations and requirements.

When the demolition occurred, further testing was required and the change order reflects the action directed by the Department of Ecology which includes removal of the concrete hoist and additional soil treatment, with fill occurring to bring the site level and ensure a level, flat, and safe parcel after remediation. The soil work can be funded by the EPA Grant #02J47401 for \$800,000 in addition to a WA State Department of Ecology grant for \$80,000 and performed as part of the existing contract awarded to Innovative Construction Solutions, which is reimbursed by the grants from both State and Federal funding.

Change Order No. 2 is for the contractor to remove inground hoist and underground tank, hoist concrete, and surrounding soil, additional excavation per DOE requirements, and backfill depression to grade.

Fiscal Impact:

Total EPA Grant for Bay Street Properties Remediation:	\$ 800,000.00
Current Spent/Obligated:	\$ 335,698.56

Original Contract Amount with Innovation Construction Solutions:	\$ 87,196.68
Change Order No 1: (Approved May 13, 2025, for Demo)	\$ 48,501.88
Change Order No. 2: (Additional Soils and backfill)	<u>\$ 179,607.23</u>
Final Contract Amount (including tax):	\$ 515,305.79

Strategic Purpose:

This action conforms with the Port's strategic plan in Goal 7. Continue to improve the Port's environmental performance and minimize its ecological footprint.

Recommendation:

Staff recommend approving Change Order No. 2 with Innovative Construction Solutions for project 03-23-30018 Bay Street Properties Environmental Remediation and authorizing the Chief Executive Officer to execute a change order in the amount of \$184,133.00, inclusive of tax.

Motion for Consideration:

Move to approve Change Order No. 2 with Innovative Construction Solutions for project 03-23-30018 Bay Street Properties Environmental Remediation and authorize the Chief Executive Officer to execute the change order in the amount of \$179,607.23, inclusive of tax.

**PORT OF BREMERTON
CHANGE ORDER NO. 2**

Contract Title: Bay Street Properties Environmental Remediation

Project No. 03-23-30018

Date: 7/21/2025

To: Innovative Construction Solutions

Prepared by:


James Weaver, Project Manager

You are hereby directed to make the changes listed below. The below Change Order amount constitutes full and final payment related to these issues, including all costs in connection with this change including all direct, indirect, impacts, inefficiencies, and induced costs (except Washington State Sales tax). All work shall conform to applicable sections of the original Contract Documents, unless specifically noted. Unless specifically mention to the contrary, this Change Order does not in any way extend the time of completion under the Contract. This Change Order shall, when signed by the Contractor and Owner, become a part of the original Contract.

Nature of Change

Additional funding is required to:

- 1) remove the former hoist and 500 sq feet of concrete around the hoist
- 2) excavate and dispose of contaminated soil within the on-site depression beneath the former buildings
- 3) excavated 10x10x8 area of lead-contaminated soil in northern portion of upland near shoreline
- 3) acquire clean borrow gravel to backfill the entire on-site depression and 10x10 excavation to grade

Justification of Change

By completing these additional steps, the depression beneath the former buildings will be removed of the most significant contamination and entirely filled to grade. The Bay Street Property will be level ground prime for revelopment at that time. This additional scope work can be covered by the EPA Multipurpose Grant and additional funding from the Washington Department of Ecology. There is a net 0 cost to the Port.

The changes result in the following adjustment of the Contract Price and Time:

Contract Value Prior to this Change Order	\$ 307,135.00 excluding tax
Net (increase) (decrease) Resulting from this Change Order	\$ 164,325 excluding tax
Current Contract Price Including this Change Order	\$ 471,460.00 excluding tax

Date of Completion Prior to this Change Order	<u>35 days</u>
Net (increase) Resulting from this Change Order	<u>7 days</u>
Current Contract Time Including this Change Order	<u>42 days</u>

**The above Changes
Are Recommended**

**The Above Changes
Are Accepted**

**The Above Changes
Are Approved**

Engineer:

Contractor:

Owner:

PIONEER Technologies Corp.

Innovative Construction Solutions

Port of Bremerton

By:_____

Date:_____

By:_____

Date:_____

By:_____

Date:_____



Change Order Request

DATE: 7/21/2025

CHANGER ORDER #	<u>02</u>	CLIENT NAME:	<u>Port of Bremerton</u>
ICS PROJECT NO.:	<u>WA-25-1027</u>	CLIENT	<u>8850 SW State Hwy 3</u>
PROJECT NAME:	<u>Bay Street Properties</u>	ADDRESS:	<u>Bremerton, WA 98312</u>
PROJECT LOCATION:	<u>521-525 Bay Street</u>	CLIENT	<u>03-23-20018 Bay Street Properties</u>
	<u>Port Orchard, WA</u>	REFERENCE NO.	<u>Environmental Remediation</u>

Pursuant to the Contract and Schedule of Values executed on 03/25/2025, this Change Order No. 02 is issued to incorporate the following changes into our above agreement:

Section 1: Change in scope of work and reason: Decommission one subsurface hydraulic hoist; break and process 500 SF of concrete slab, load, transport and recycle concrete debris at local facility. Hydraulic fluid will be containerized in 55-gallon DOT-approved drum for sampling by PTC for disposal characterization purposes. Costs include additional mobilizations/demobilizations, and increased quantities for Contract Item Nos. 5.11, 5.12, 5.18, 5.19, and 5.20.

Section 2: Change in contract price (if any) and basis: **\$164,325.00** (not including sales tax)

**The price includes all labor, materials, tools, and equipment in order to properly complete the specified scope of work. The work will be performed in accordance with industry standards and applicable regulatory requirements*.*

Section 3. Time required to perform the change in scope of work: 7

Section 4. Change to contract schedule: 7

Section 5. Change Orders are incorporated as a formal contract change of the contract. ICS agrees to diligently perform the change in scope of work described in Section "1" above. All work will be performed in accordance with the conditions outlined in the Purchase Order, Contract, and accompanying contract documents.

Original Contract Amount.....	\$262,760.00
Total Previous Change Orders	\$44,375.00
SUBTOTAL	\$307,135.00
Amount of this Change Order	\$164,325.00
CURRENT CONTRACT AMOUNT	\$471,460.00

Submitted By: _____	Darren Ness	7/21/2025
Project Manager Signature	Print Name	Date

UNDERSTOOD AND ACCEPTED:

Approved By: _____	_____	_____
Client Representative Signature	Print Name	Date

<u>Item</u>	<u>Description</u>	<u>Units</u>	<u>Estimated Quantity</u>	<u>Unit Cost</u>	<u>Estimated Cost</u>	<u>Rationale for Optional Change Order</u>
2	Client Request - Concrete Demolition/Hoist Removal	LS	1	\$ 19,825.00	\$ 19,825.00	Remove hoist and addtl. 500 sq feet of concrete around hoist
3	Additional - Mobilization/Demobilization	EA	2	\$ 6,000.00	\$ 12,000.00	As needed based on project progress
4	Additional - Excavate and Stockpile Soil For Disposal	TON	278	\$ 30.00	\$ 8,340.00	If excavating out depression soils per schematic to right
5	Additional - Provide Gravel Borrow Import	TON	2,170	\$ 26.00	\$ 56,420.00	Backfilling to grade with gravel after addtl. Excavtion and concrete removal
6	Additional - CSTC Asphalt Subgrade	TON	195	\$ 40.50	\$ 7,897.50	Backfilling with asphalt subgrade to grade
7	Additional - Backfill and Compact	LS	1	\$ 26,148.50	\$ 26,148.50	Backfilling depression after additional source removal
8	Additional - Miscellaneous Items as Encountered	EA	1	\$ 4,504.00	\$ 4,504.00	Intended to cover additional small items that unexpectedly arise. Will not be billed unless items are required.
9	Haul and Dispose of Additional Soil for Disposal	TON	278	\$ 105.00	\$ 29,190.00	Disposal of depression soils
GRAND TOTAL ROM ESTIMATE					\$ 164,325.00	
Plus 9.3% tax					\$ 179,607	

NOTES:

- One additional Mobilization/Demobilization has been incurred
- With exception to Mobilization/Demobilization, costs based on existing Contract Unit Rates
- Additional bonding costs not included
- State sales and/or use taxes not included

Totals

Current ICS Total (including 9.3% tax on ICS) \$ 335,699
ICS COR2 Total (including 9.3% tax on ICS) \$ 179,607
Revised ICS Total (including 9.3% tax on ICS) \$ 515,306

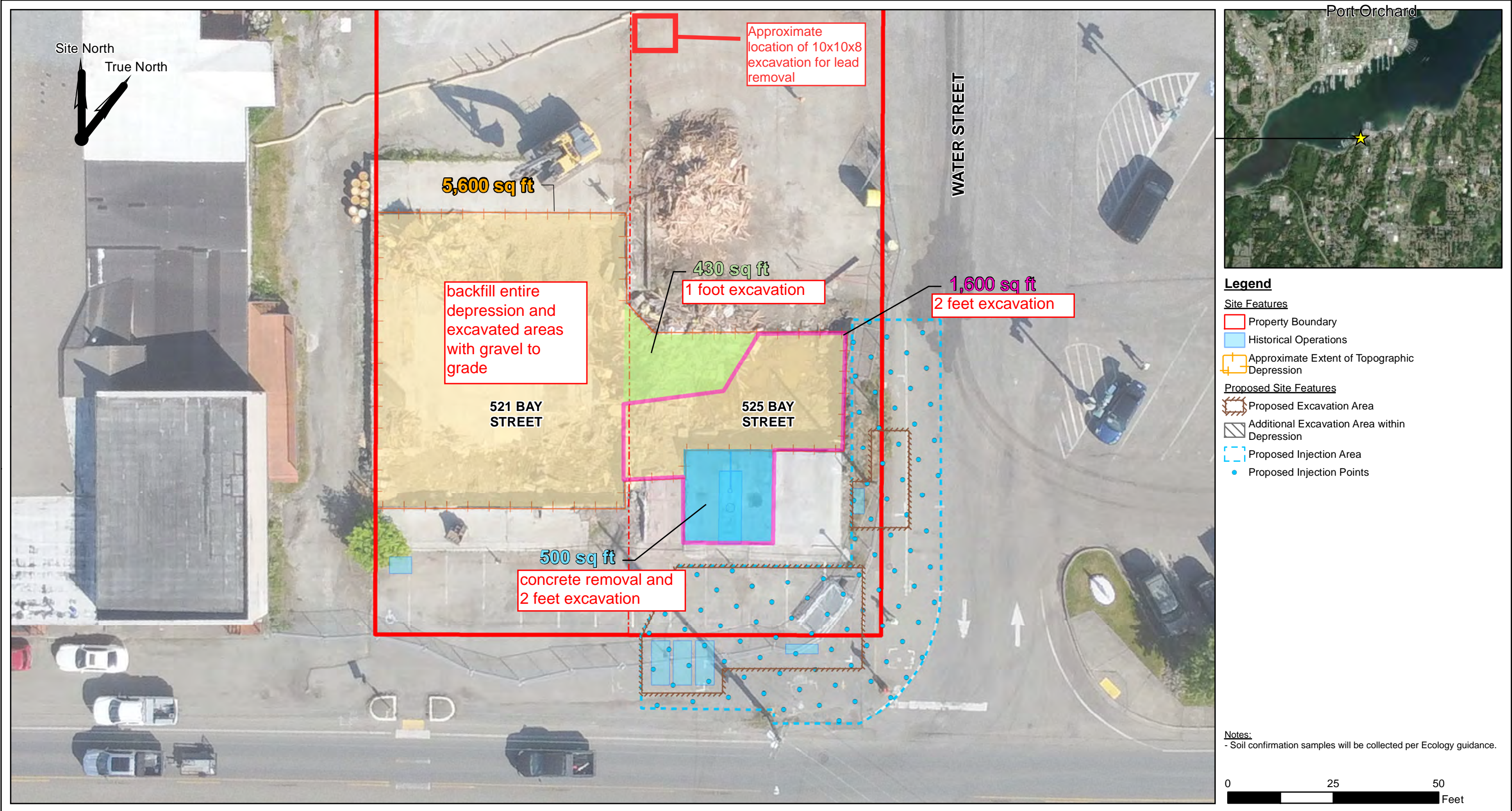
Current USEPA grant total for ICS Remediation: \$ 450,000

Additional Funding Required beyond USEPA Grant to complete project \$ 65,306

Addtl Ecology Flexible Funding Acquired: \$ 65,306

Net cost to Port of Bremerton beyond Grant Funding: \$ 0

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PIONEER
TECHNOLOGIES CORPORATION

Summary of Areas
FOR REFERENCE ONLY
On-Site Depression Interim Action
521 & 525 Bay Street, Port Orchard

Figure 1